Union Calendar No. UU

108th Congress, 2d Session – – – – – – – – – – House Report 108–UU

ACTIVITIES REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

Convened January 7, 2003

Adjourned December 8, 2003

SECOND SESSION

Convened January 20, 2004

Adjourned December 7, 2004

JANUARY 2, 2005—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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[1] February 5, 2003—Rep. Michael H. Michaud was appointed to the Committee.
[2] February 12, 2003—Rep. Jim Gibbons resigned from the Committee to serve on the Select Committee on Homeland Security.
[3] February 13, 2003—Rep. Darlene Hooley, Rep. Silvestre Reyes, Rep. Ted Strickland, Rep. Shelley Berkley, Rep. Tom Udall, Rep. Susan A. Davis, and Rep. Tim Ryan were appointed to the Committee.
[4] February 25, 2003—Rep. Tim Murphy was appointed to the Committee.
[5] June 16, 2004—Rep. Silvestre Reyes resigned from the Committee.
[6] June 16, 2004—Rep. Stephanie Herseth was appointed to the Committee.

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*On November 19, 2004, John M. Bradley was named Staff Director and Kingston E. Smith was named Chief Counsel.

LETTER OF SUBMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, January 2, 2005

Hon. JEFF TRANDAHL,
Clerk, House of Representatives,
Washington, D.C.

DEAR MR. TRANDAHL:

In accordance with Clause 1(d) of Rule XI of the Rules of the House of Representatives, I submit herewith the report of the Committee on Veterans' Affairs setting forth its activities in reviewing and studying the application, administration, and execution of those laws, the subject matter of which is within the jurisdiction of our committee.

CHRISTOPHER H. SMITH,
Chairman

FOREWORD

The 108th Congress made substantial progress in strengthening and reforming federal programs benefiting veterans and their families. With the War on Terror being fought every day in Iraq, Afghanistan and other locations around the world, the 108th Congress continued to fulfill our Nation's obligations to provide health care services, compensation, and transition benefits to servicemembers, veterans, and their families.

In the past two years, veterans health care services became more comprehensive, accessible, and timely. Compensation benefits for disabled veterans were expanded and increased. Civil, legal and job protections for servicemembers and veterans were strengthened. Education, training, employment, and entrepreneurship programs for transitioning veterans were improved. The national cemetery system honoring our veterans was authorized to further expand to meet future needs.

Through steady oversight of the Department of Veterans Affairs (VA), there have been measurable reductions in fraud, waste, and mismanagement, as well as record increases in third party collections that go directly back into VA to fund veterans' health care.

Major Committee Legislation—The Veterans Benefits Improvement Act of 2004 (Public Law 108–454) strengthens VA education, training and employment programs; enhances VA disability and compensation programs; expands VA's home loan programs; and strengthens veterans' and servicemembers' legal protections. Major provisions of Public Law 108–454, as enacted:

- Increase VA's monthly MGIB educational assistance for apprenticeship and on-the-job training programs;
- Authorize VA to pay benefits for competency-based apprenticeships, which are predicated upon the mastery of job skills rather than a set time period for training;
- Provide an additional $250 in dependency and indemnity compensation (DIC) paid monthly to surviving spouses with one or more children under age 18 for a two-year transition period;
- Increase the maximum VA home loan guaranty to 25 percent of the Freddie Mac conforming loan amount for a single-family residence (currently from $240,000 to $333,700) and annually index it to Freddie Mac.

The Veterans Health Programs Improvement Act of 2004 (Public Law 108–422) strengthens VA's homeless, long term care, and nursing programs; authorizes new and expanded VA outpatient clinics; and establishes new research and education centers for veterans with multi-traumatic combat injuries. Major provisions of Public Law 108–422, as enacted:

- Authorize 16 leases totaling $24,420,000 for VA community-based outpatient clinics;
- Increase authorization for the Grant and Per Diem homeless veterans assistance program from $75 million to $99 million in FY 2005;
- Provide payments to States to assist them in hiring and retaining nurses to work in State veterans' homes;
- Authorize a new pilot program to improve recruitment of qualified nurses using outside agencies, advertising, and interactive online technologies;
- Authorize new research and education centers for treating veterans with complex multi-trauma injuries associated with combat.

The Department of Veterans Affairs Health Care Personnel Enhancement Act of 2004 (Public Law 108–445) reforms VA's physician pay and nurse employment systems to provide additional flexibility to recruit and retain highly qualified medical personnel. Under Public Law 108–445, a new physician and dentist pay system will be established, to be comprised of three elements: a 15-step Physician and Dentist Base and Longevity Pay Schedule; a market pay band for clinical specialties and subspecialties set by the Secretary; and incentive bonuses up to $15,000 for physicians or dentists who meet established performance goals set by the Department.

The Veterans Benefits Act of 2003 (Public Law 108–183) expands and strengthens numerous compensation and transition benefits for veterans. Major provisions of Public Law 108–183, as enacted:

- Expand the Montgomery GI Bill program to cover self-employment training programs and entrepreneurship courses at approved institutions;
- Allow federal agencies to create sole-source contracts for disabled veteran-owned small businesses and to restrict certain contracts to disabled veteran-owned small businesses;
- Restore dependency and indemnity compensation (DIC), home loan, education, and burial benefit eligibility for spouses remarried after age 57;
- Increase the specially adapted automobile grant from $9,000 to $11,000, and increase the specially adapted housing grants from $48,000 to $50,000 for the most severely disabled veterans and from $9,250 to $10,000 for less severely disabled veterans;
- Increase monthly educational benefits for spouses and dependent children of disabled;
- Eliminate the 30-day requirement for prisoners of war (POWs) to qualify for presumptions of service-connection for certain disabilities: psychosis, any of the anxiety states, dysthymic disorder, organic residuals of frostbite, and post-traumatic osteoarthritis;
- Provide full compensation and DIC to members of the new Philippine Scouts if the individual resides in the United States as a citizen or permanent resident, and also extend eligibility for burial in a national cemetery.

The Servicemembers Civil Relief Act (Public Law 108–189), rewrote the Soldiers' and Sailors' Civil Relief Act, modernizing and expanding the law to meet today's civil, legal, and financial arrangements. Important provisions of Public Law 108–189, as enacted:

- Update eviction protections for families of servicemembers on active duty to reflect the increase in the cost of rental housing;
- Strengthen protections for servicemembers from losing life insurance coverage while on active duty;
- Provide coverage for all motor vehicles and other personal property by the Act's installment contract protections, so that the creditor must obtain a court order before repossessing the car;
- Clarify that the Act's rights and protections apply to civil administrative proceedings, such as license and zoning matters, which are far more common today than they were in 1940;
- Improve protection of servicemembers against default judgments;
- Expand the professional liability protections to include legal services.

The Veterans Health Care, Capital Asset, and Business Improvement Act of 2003 (Public Law 108–170), authorized $276.6 million for major medical construction projects, and enhanced and expanded numerous VA heath care benefits. Other major provisions of Public Law 108–170, as enacted:

- Eliminate the 90-day requirement for former POWs to qualify for VA outpatient dental care and eliminate prescription drug copayments for former POWs;
- Authorize VA to provide health care services to certain Filipino World War II veterans who permanently reside in the United States;
- Authorize VA to appoint chiropractors as clinical practitioners;
- Increase yearly earmarked funding for specialized mental health care services to severely and chronically disabled veterans from $15,000,000 to $25,000,000;
- Extend VA's authority to transfer housing properties recovered through foreclosure of GI home loans to community-based homeless veterans assistance providers;
- Authorize premium pay for Saturday duty to additional VA health care workers;
- Authorize VA to carry out major construction projects proposed by the Capitol Asset Realignment for Enhanced Services (CARES) initiative only after submitting a report to Congress listing each project in order of priority as established in this legislation.

The National Cemetery Expansion Act of 2003 (Public Law 108–109) directed the Secretary of Veterans Affairs to establish, not later than four years after the date of enactment, six new national cemeteries in southeastern Pennsylvania; Birmingham, Alabama; Jacksonville, Florida; Bakersfield, California; Greenville/Columbia, South Carolina; and Sarasota, Florida.

Oversight—The Committee continued aggressive oversight of the federal veterans programs and laws. The tone was set early in the 108th Congress when the Committee held a series of hearings to investigate fraud, waste, abuse, and mismanagement in the Department of Veterans Affairs. Detailed testimony from both the Office of Inspector General and the Government Accountability Office (GAO) documented progress made, as well as areas where significant improvement was needed. Among the major areas covered were mismanagement of part-time physicians, erroneous benefits paid to fugitive felons, and ongoing efforts to improve VA's third party insurance collections to the Medical Care Collections Fund.

Other oversight topics examined in Committee hearings included VA's CARES (Capital Asset Realignment for Enhanced Services) process; VA-DOD sharing of medical resources; VA's preparedness to meet national medical emergencies; and VA's ability to provide a seamless delivery of benefits and services to servicemembers as they transition from the military to civilian life.

Budget and Appropriations—Funding for veterans programs has increased significantly in each of the past four years. Overall funding for the Department of Veterans Affairs has risen $23 billion from approximately $48 billion in fiscal year 2001 to over $71 billion in the fiscal year 2005 budget, almost a 50 percent increase in four years. Veterans medical care funding has risen from $20.2 billion in the fiscal year 2001 budget to $27.8 billion in the fiscal year 2005 budget. The fiscal year 2005 Consolidated Appropriations Act (Public Law 108–447) contained $1.2 billion more in veterans medical care funding than had been requested by the Administration in the budget submission.

As a result of these funding decisions made by Congress, as well as aggressive oversight by the Committee, the number of veterans who received VA medical care services in 2004 topped 5 million, over one million more than had received medical care services four years prior. At the same time, using new resources provided through the budget and appropriations process, as well as increased focus upon management initiatives, VA has been able to reduce the number of veterans on long waiting lists by more than 98 percent in two years, from over 300,000 in 2002 to less than 6,000 today.

Acknowledgements—The successes achieved for veterans in the 108th Congress are the result of dedicated, bipartisan work by the Members and staff of the Committee. I want to thank Honorable Lane Evans of Illinois, the Ranking Minority Member of the Committee, for his dedication and cooperation in improving the lives of all veterans and their loved ones. I want to thank the Chairmen and Ranking Minority Members of the Subcommittees for all of their highly effective work: Honorable Henry Brown and Honorable Michael Michaud of the Benefits Subcommittee; Honorable Rob Simmons and Honorable Ciro Rodriguez of the Health Subcommittee; and Honorable Steve Buyer and Honorable Darlene Hooley of the Oversight and Investigations Subcommittee. I also want to thank Honorable Mike Bilirakis, the Vice Chairman of the Committee, for his years of advocacy on behalf of veterans.

Our legislative success was only possible due to the cooperation of our counterparts in the Senate, Honorable Arlen Specter, Chairman, and Honorable Bob Graham, Ranking Member, of the Senate Veterans' Affairs Committee. I want to thank them and their expert professional staff for their work to better the lives of veterans.

I especially want to thank the entire Majority and Minority professional staffs of our Committee. The countless contributions made by each of them throughout the 108th Congress are responsible for truly historic progress made on behalf of veterans and their families.

The Committee notes with sadness the June 20, 2003, death of one of its most distinguished former members, Honorable Bob Stump. Born and raised in Arizona, he served our country with distinction, from his enlistment in the U.S. Navy during World War II at the age of 16, to his extraordinary 26 years in the United States Congress. From 1995–2000, he chaired the Committee, and was its ranking minority member for the two previous years. With an impressive record of legislative accomplishments resulting in immeasurable good for veterans, servicemembers, and their families, Bob Stump was a true American hero.

The 108th Congress continued to build upon the legacy of the 107th and prior Congresses. The course has been set, the orders given, and there will be no retreat from the mission to ensure that all of America's veterans are honored, cared for, and given all of the benefits they earned through their service.

CHRISTOPHER H. SMITH,
Chairman

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ACTIVITIES OF THE COMMITTEE ON VETERANS' AFFAIRS FOR THE 108TH CONGRESS

JANUARY 2, 2005—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH, for the Committee on Veterans' Affairs, pursuant to Clause 1(d) of Rule XI, submitted the following

REPORT

JURISDICTION

Rule X of the Rules of the House of Representatives establishes the standing committees of the House and their jurisdiction. Under that rule, all bills, resolutions, and other matters relating to the subjects within the jurisdiction of any standing committee shall be referred to such committee. Clause 1(r) of Rule X establishes the jurisdiction of the Committee on Veterans' Affairs as follows:

(1) Veterans' measures generally.

(2) Cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad (except cemeteries administered by the Secretary of the Interior).

(3) Compensation, vocational rehabilitation, and education of veterans.

(4) Life insurance issued by the Government on account of service in the Armed Forces.

(5) Pensions of all wars of the United States, general and special.

(6) Readjustment of servicemen to civil life.

(7) Soldiers' and sailors' civil relief.

(8) Veterans' hospitals, medical care, and treatment of veterans.

The Committee on Veterans' Affairs was established January 2, 1947, as a part of the Legislative Reorganization Act of 1946 (60

Stat. 812), and was vested with jurisdiction formerly exercised by the Committee on World War Veterans' Legislation, Invalid Pensions, and Pensions. Jurisdiction over veterans' cemeteries administered by the Department of Defense was transferred from the Committee on Interior and Insular Affairs on October 20, 1967, by H. Res. 241, 90th Congress. The Committee during the 108th Congress had 31 members, 17 in the majority and 14 in the minority.

VETERANS PROGRAMS

DEPARTMENT OF VETERANS AFFAIRS

President Herbert Hoover issued an executive order on July 21, 1930, creating the Veterans Administration. At that time, the Veterans Administration had 54 hospitals and 31,600 employees to serve 4.7 million veterans. President Ronald Reagan signed legislation on October 25, 1988, creating the Department of Veterans Affairs (VA), which assumed responsibility from the Veterans Administration for the mission of providing Federal benefits to veterans and their families.

The veteran population was approximately 24.7 million on September 30, 2004. Over 74 of every 100 veterans have served during defined periods of armed hostilities. Altogether, approximately 65 million veterans, dependents and survivors of deceased veterans, over 20 percent of the Nation's population, are potentially eligible for VA benefits and services.

To serve these veterans, their dependents and survivors, VA carries out its veterans programs nationwide in three administrations. The Veterans Health Administration (VHA) is responsible for veterans' health care programs. The Veterans Benefits Administration (VBA) is responsible for compensation, pension, vocational rehabilitation, education assistance, home loan guaranty and insurance programs. The National Cemetery Administration (NCA) is responsible for the operation of 120 national cemeteries. The Board of Veterans' Appeals (BVA) provides final decisions for the Secretary on appeals of veterans benefits claims.

As of September 30, 2004, VA had 236,427 employees. Among all the departments and agencies of the Federal government, only the Department of Defense (DOD) has a larger work force. Of the total number of VA employees, the Veterans Health Administration has 214,580, the Veterans Benefits Administration has 12,972, the National Cemetery Administration has 1,542, and the Veterans' Canteen Service has 3,238. The remaining 4,095 employees are in staff offices, including the office of the Inspector General. VA is a leading employer of veterans with about 25.2 percent of VA's employees being veterans.

Since the formation of the Department, the Secretaries of Veterans Affairs have been: Honorable Edward J. Derwinski, 1989–1992; Honorable Jesse Brown, 1993–1997; Honorable Togo D. West, Jr., 1998–2000; and the current Secretary, Honorable Anthony J. Principi.

VETERANS HEALTH ADMINISTRATION

VA's largest and most visible component is the Veterans Health Administration (VHA). It has 157 hospitals, with at least one in

each of the 48 contiguous states, Puerto Rico, and the District of Columbia, and with small VA inpatient bed complements at military treatment facilities in Alaska and Hawaii. VHA is divided into 21 Veterans Integrated Service Networks (VISNs) that provide its basic management structure. VHA is headed by the Under Secretary for Health, who is appointed by the President for a four-year term.

In addition to its 157 hospitals, VA operates 696 community-based outpatient clinics, 134 nursing homes and 42 domiciliary care facilities.

Medical Care

In 2003, with about 19,000 average operating acute hospital beds, VA treated 604,093 inpatients, 92,516 veterans in nursing home care units or in community nursing facilities at VA expense, and 24,413 veterans in home care and other community-based health programs sponsored by VA. The Department's outpatient clinics registered over 46 million visits by veterans in 2003. Altogether, over 4.5 million veterans received care under VA auspices in 2003.

Over the past decade, VA has transformed its health care system through a structural and organizational change, with improved resource allocation, better measurements of accountability for quality and value, and development of an information infrastructure to support the needs of patients, clinicians, and administrators. VA has experienced unprecedented growth in demand for medical care for the last several years. Between 2000 and 2003, the number of veterans treated through the VA health care system grew by 1.1 million, or 31 percent. During the same period, the VA health care budget increased by more than $6 billion (33 percent). This growth resulted in long waiting lists. More than 175,000 new enrollees waited six months or more for their first primary care appointments in July 2002. Due to management initiatives, VA was able to reduce the number of patients waiting for a first appointment to less than 4,000 as of May 15, 2004.

Across the Nation, VA is currently affiliated with 107 medical schools, 54 dental schools, and over 1,000 other schools offering students allied and associated education degrees or certificates in 40 health profession disciplines. More than one-half of all practicing physicians in the United States received at least part of their clinical educational experiences in the VA health care system. In 2003, over 83,000 health care professionals received training in VA medical centers. The Department is also the largest employer of registered nurses in the United States, with 34,464 nurses on its rolls in 2003.

VA's efforts to provide clinical services for veterans suffering from post-traumatic stress disorder (PTSD) were inaugurated with the establishment of the Vet Center program in 1979.

VA's Vet Center program consists of 206 community-based Vet Centers. The Vet Center program provides a mix of professional readjustment counseling for war trauma, family-related services and community-based service functions to include outreach, education, case management and referral activities. The Vet Centers make over 200,000 veteran referrals each year to VA medical facilities and regional offices.

The Department conducts a variety of specialized programs, including compensated work therapy to provide disabled veterans with job skills, training, and rehabilitative residences. Often, these programs assist homeless veterans. VA also provides targeted services for homeless veterans, including outreach, case management, clinical care, residential treatment and rehabilitation, care for serious mental illnesses and substance-use disorder, and supported housing.

In operating its health care facilities, the Department benefits from the contributions of time and energy by more than 133,000 volunteers from all walks of life. Many veterans themselves and family members of veterans volunteer through VA's Voluntary Service. Volunteers donate nearly 13 million hours of service each year to bring companionship, faith, hope and comfort to hospitalized veterans and to the millions of veterans who visit VA outpatient clinics.

Medical and Prosthetic Research

Some of the most recent advances from VA research include:

Establishment of a new center for limb loss care. Researchers at the Providence VAMC have established a new Center for Rebuilding, Regenerating and Restoring Function After Limb Loss in collaboration with Brown Medical School and the Massachusetts Institute of Technology. The Center will provide state-of-the-art care for veteran amputees, foster the development of new prosthetic devices, and advance research in such areas as tissue engineering and robotics. VA expects the Center to significantly improve outcomes for veterans with recent combat injuries and other VA patients who have suffered amputation.

Neuropsychological measures of military personnel. DOD has permitted VA scientists access to military personnel prior to deployment to establish baseline neuropsychological measures. Once they return from Operation Iraqi Freedom, these soldiers will be reassessed on the same neuropsychological measures, allowing comparison of pre- and post-deployment health, and providing valuable insight into the effects of traumatic exposure.

Discovery that a harmless virus helps HIV infected patients. A study at the Iowa City VAMC and University of Iowa showed that a harmless virus, GBV–C, boosts immune proteins and helps slow the progression of HIV to prolong survival for many patients.

Studies related to multiple-sclerosis nerve damage. Scientists with VA, Yale and University College, London, have found alterations in the appearance of two sodium channel molecules during nerve-fiber degeneration in multiple sclerosis. This landmark finding provides, for the first time, important clues about the molecular basis for the permanent and irreversible damage caused by MS.

Clinical Trial using Deep Brain Stimulation to treat refractory Parkinson's disease. VA, in collaboration with the National Institute for Neurological Disorders and Stroke, is conducting an investigational trail of two promising neurosurgical techniques utilizing implantation of electrical stimulation devices to assess the impact on symptoms and functioning of Parkinson's patients, and to compare the effects of the techniques.

Functional electrical stimulation (FES). VA researchers at the Cleveland FES Center are focusing on the application of one of the most advanced electrical currents technology to generate and suppress activity in the nervous system. This application can be used to control the movement of otherwise paralyzed limbs to stand and hand grasp, activate bowel and bladder function, create perceptions such as skin sensibility and suppress pain and spasm. The original technology for the diaphragm stimulator system, used by the late actor Christopher Reeve to help him breathe for extended periods without a ventilator, was developed at the Cleveland FES Center.

VETERANS BENEFITS ADMINISTRATION

The Veterans Benefits Administration (VBA) is responsible for administering and delivering benefits and services to eligible veterans, as well as certain survivors and dependents. VBA operates 57 regional offices throughout the United States, Puerto Rico and the Republic of the Philippines. In 2002, the regional offices were realigned into four area offices which set goals, monitor performance and share responsibility for mission accomplishment within their geographic area. VBA programs include disability compensation, pension, education, vocational rehabilitation and employment, home loan guaranty, life insurance, and burial. VBA is headed by the Under Secretary for Benefits, who is appointed by the President for a four-year term.

Compensation and Pension

More than 2.5 million veterans receive disability compensation and another 342,000 receive pension payments from VA. Additionally, over 340,000 individual widows, children and parents of deceased veterans are paid survivor compensation or death pension benefits. VA disability and death compensation and pension payments amounted to more than $29.6 billion in fiscal year 2004.

Insurance

VA operates the tenth largest insurance program in the United States, based on total amount of coverage provided. VA-administered and supervised insurance programs provide $750 billion of coverage to more than 7.5 million veterans, servicemembers and their families. Six of the programs are administered directly by VA. Two others, the Servicemembers' Group Life Insurance (SGLI) and the Veterans' Group Life Insurance (VGLI) programs, are supervised and overseen by VA but are contracted to the Prudential Insurance Company of America. SGLI and VGLI represent 97 percent of the coverage amount and insure approximately 5.8 million lives for a total of $729 billion, to include more than 2.8 million veterans, active duty servicemembers, reservists and Guardsmen, plus 3.1 million spouses and children.

In 2003, the VA life insurance programs returned $569 million in dividends to 1.5 million veterans who hold some of these VA life insurance policies, and paid an additional $2.42 billion in death claims and other disbursements. The Philadelphia VA Insurance Center was selected from among 22 organizations as recipient of the 2004 Government Customer Support Excellence Award, and was also named the recipient of the 2004 Leo C. Wurschmidt, Jr. Customer Service Team Award, VBA's highest award for customer service.

Education

Since 1944, when the first GI Bill became law, more than 21 million beneficiaries have participated in GI Bill education and training programs. This includes 7.8 million World War II veterans, 2.3 million Korean War veterans, and 8.2 million post-Korean and Vietnam era veterans, and active duty personnel. Proportionally, Vietnam era veterans were the greatest participants in GI Bill training. Approximately 76 percent of those eligible took training, compared with 50.5 percent for World War II veterans and 48.4 percent for Korean era veterans.

The All-Volunteer Force Educational Assistance Program provides benefits for veterans, service personnel and members of the Selected Reserve who train under the Montgomery GI Bill (MGIB). Approximately 59 percent of veterans eligible for the MGIB have used it through fiscal year 2004. Over 17,400 more claimants received education benefits during fiscal year 2004 than during fiscal year 2003. Almost 68 percent of the 490,417 beneficiaries who used VA education benefits during fiscal year 2004 qualified under the provisions of the MGIB. Reservists accounted for about 18 percent, and the Survivors' and Dependents' Educational Assistance program for certain eligible dependents of veterans accounted for almost 14 percent.

Home Loan Assistance

More than 16.8 million veterans and their dependents have benefited from VA's loan guaranty program. From this program's establishment as part of the original GI Bill in 1944 through the end of fiscal year 2002, VA home loan guaranties totaled more than $740 billion. In fiscal year 2002, VA guaranteed 317,000 loans valued at $40 billion. Since 1948, VA has assisted 35,000 disabled veterans with grants totally more than $537 million for specially adapted housing.

NATIONAL CEMETERY ADMINISTRATION

VA assumed responsibility for the National Cemetery Administration (NCA) in 1973. As of March 2004, NCA maintains almost 2.5 million gravesites at 120 national cemeteries in 39 states and Puerto Rico. NCA also oversees 33 soldiers' lots, monument sites, and confederate cemeteries. Currently, 60 VA cemeteries in 34 states are able to provide both casket and cremation burials, and an additional 23 provide burial for family members of those already buried and can also accommodate cremated remains. Thirty-seven are closed to new interments but can accommodate family members in already-occupied gravesites. Total acreage in NCA has increased from 4,260 in 1973 to 14,200 in 2004. More than 3 million people, including veterans from every war and conflict—from the Revolutionary War to Operation Iraqi Freedom—are honored by burial in VA's national cemeteries.

Since 1973, annual interments in VA national cemeteries have increased from 36,400 to 89,750 in fiscal year 2003. Interments are expected to increase annually until 2008. In 1999 and 2003, Congress directed VA to establish 12 new national cemeteries. One of those, Fort Sill National Cemetery in Oklahoma, opened in November 2001. The others, one in Alabama, two in California, three in Florida, one in Georgia, one in Michigan, two in Pennsylvania, and

one in South Carolina, will be located near large populations of veterans who currently do not have access to burial in a veterans' cemetery.

The Department of Veterans Affairs State Cemetery Grants Program was established in 1978 to complement VA's National Cemetery Administration. The program assists states with building or improving state veterans cemeteries. VA will pay for the construction costs in exchange for states providing the land and operating the cemeteries. More than $175 million has been awarded for 54 operational veterans cemeteries in 30 states and Guam. Five state cemeteries are under construction. In 2003, state cemeteries that received VA grants buried 18,192 eligible veterans and family members. Owing to the success of the State Cemetery Grants Program, Congress made the program, set to expire in fiscal year 2004, permanent with Public Law 108–183.

DEPARTMENT OF LABOR

VETERANS' EMPLOYMENT AND TRAINING

The Veterans' Employment and Training Service (VETS) of the Department of Labor provides employment and training services to eligible veterans through a non-competitive Jobs for Veterans State Grants Program. Under this grant program, funds are allocated to State Workforce Agencies in direct proportion to the number of veterans seeking employment within their state. On December 14, 2004, the Department of Labor granted an additional $3.78 million in grants above the annual appropriations for Veterans' Employment and Training to be divided among 17 communities in 15 states. Over 2,220 veterans will benefit from these grants in the form of new job placement, career counseling, classroom or on-the-job training, and obtaining or retaining licenses and certifications.

AMERICAN BATTLE MONUMENTS COMMISSION

The American Battle Monuments Commission (ABMC), created by an Act of Congress in 1923, is a Federal agency responsible for the construction and permanent maintenance of military cemeteries and memorials on foreign soil, as well as certain memorials in the United States. Its principal functions are to commemorate, through the erection and maintenance of suitable memorial shrines, the sacrifices and achievements of the American armed forces where they have served since April 6, 1917; to design, construct, operate, and maintain permanent American military burial grounds and memorials in foreign countries; to control the design and construction on foreign soil of U.S. military monuments and markers by other U.S. citizens and organizations, both public and private; and to encourage U.S. government agencies and private individuals and organizations to maintain adequately the monuments and markers erected by them on foreign soils. ABMC also provides information and assistance, on request, to relatives and friends of the war dead interred or commemorated at its facilities.

In performance of its functions, ABMC administers, operates and maintains 24 permanent American military cemetery memorials and 22 monuments, memorials, markers and separate chapels in fourteen foreign countries, the Commonwealth of the Northern Mariana Islands, Gibraltar, and three memorials in the United

States. When directed by Congress, ABMC develops and erects national military monuments in the United States, such as the Korean War Veterans Memorial and most recently, the World War II National Memorial. A decade in the making, the World War II Memorial is located on the National Mall in Washington, DC and was dedicated on May 29, 2004. It is the first national World War II Memorial built to honor the 16 million servicemembers who served in the Armed Forces of the United States, the more than 400,000 who died, and the millions who supported the war effort at home.

ARLINGTON NATIONAL CEMETERY

Arlington Mansion and 200 acres of ground immediately surrounding it were designated as a military cemetery on June 15, 1864, by Secretary of War Edwin M. Stanton. With more than 200,000 people buried, Arlington National Cemetery has the second largest number of people buried of any national cemetery in the United States. Arlington National Cemetery is administered by the Department of the Army.

Veterans from all the Nation's wars and conflicts are buried in the cemetery, from the American Revolution through Operation Iraqi Freedom. Since the War on Terror began, 121 servicemembers have been interred at Arlington National Cemetery; 15 from Operation Enduring Freedom in Afghanistan and 106 from Operation Iraqi Freedom. The cemetery conducts approximately 6,452 burials each year. In addition to in-ground burial, the cemetery has a large columbarium for cremated remains. Seven courts are currently in use, each with 5,000 niches. Arlington is the site of many non-funeral ceremonies, and approximately 3,700 such ceremonies are conducted each year. Arlington is expected to continue to provide burials through the year 2060 with its recently approved capital investment plan.

More than 4 million people visit the cemetery annually, many coming to pay final respects at graveside services, of which nearly 125 are conducted each week. Also, more than 3,800 former slaves are buried there. The Tomb of the Unknowns and the grave of President John F. Kennedy are among the most visited sites at the cemetery.

LEGISLATION ENACTED INTO LAW

Public Law 108–109

National Cemetery Expansion Act of 2003

(H.R. 1516, AS AMENDED)

Title: An Act to provide for the establishment by the Secretary of Veterans Affairs of additional cemeteries in the National Cemetery Administration.

H.R. 1516, as amended, will:

1. Direct the Secretary of Veterans Affairs to establish, not later than four years after the date of enactment, six new national cemeteries in the following areas: southeastern Pennsylvania; Birmingham, Alabama; Jacksonville, Florida; Bakersfield,

California; Greenville/Columbia, South Carolina; and Sarasota, Florida.
2. Direct the Secretary to use Advance Planning Funds for the establishment of the new cemeteries.
3. Direct the Secretary, in determining the specific sites for the new cemeteries, to solicit the advice of representatives of State and local veterans' organizations and other individuals as the Secretary considers appropriate.
4. Require the Secretary to submit a report to Congress within 120 days of enactment setting forth the six areas where those cemeteries will be established, a schedule for establishment, the estimated cost associated with establishment, and the amount of Advance Planning Funds obligated for this purpose.
5. Require the Secretary to submit to Congress an annual report that updates the information included in the initial report until the six cemeteries are completed.

Effective Date: Date of enactment.

Cost: The Congressional Budget Office (CBO) estimates that implementing the bill would cost $11 million in 2004 and $93 million over the 2004–2008 period, assuming appropriation of the necessary amounts. The bill would not affect direct spending or receipts.

Legislative History:

June 26, 2003: H.R. 1516 ordered reported amended favorably by the Committee on Veterans' Affairs.
July 10, 2003: H.R. 1516 reported amended by the Committee on Veterans' Affairs. H. Rept. 108–199.
July 21, 2003: Passed the House amended under suspension by vote of 408–0 (Roll No. 399).
July 22, 2003: Referred to the Senate Committee on Veterans' Affairs.
September 30, 2003: Senate Committee on Veterans' Affairs ordered reported favorably with an amendment in the nature of a substitute.
October 14, 2003: Senate Committee on Veterans' Affairs reported with amendments and an amendment to the title, with written report number 108–164.
October 17, 2003: Passed the Senate with amendments and an amendment to the title by unanimous consent.
October 20, 2003: Message on Senate action sent to the House.
October 29, 2003: House agreed to the Senate amendments under suspension by vote of 412–0 (Roll No. 577).
November 11, 2003: Signed by the President, Public Law 108–109.

Public Law 108–147

Veterans' Compensation Cost-of-Living Adjustment Act of 2003

(H.R. 1683)

Title: An Act to increase, effective as of December 1, 2003, 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, and for other purposes.

H.R. 1683 will:

Provide effective December 1, 2003, a cost-of-living adjustment to the rates of disability compensation for veterans with service-connected disabilities and to the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans. The percentage amount would be equal to the increase for benefits provided under the Social Security Act, which is calculated based upon changes in the Consumer Price Index.

Effective Date: December 1, 2003.

Cost: The COLA is assumed in the baseline, and would have no budgetary effect relative to the baseline. Relative to current law, the Congressional Budget Office estimates that enacting this provision would increase spending for these programs by about $420 million in 2004. (The annualized cost would be about $560 million in subsequent years.) This estimate assumes that the COLA effective on December 1, 2003, would be 2.2 percent.

Legislative History:

May 15, 2003: H.R. 1683 ordered reported favorably by the Committee on Veterans' Affairs.

May 19, 2003: H.R. 1683 reported by the Committee on Veterans' Affairs. H. Rept. 108–108.

May 20, 2003: Considered under suspension of the rules. At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.

May 22, 2003: Passed the House under suspension by vote of 426–0 (Roll No. 209).

May 22, 2003: Referred to the Senate Committee on Veterans' Affairs.

November 21, 2003: Senate Committee on Veterans' Affairs discharged by unanimous consent.

November 21, 2003: Passed the Senate by unanimous consent.

December 3, 2003: Signed by the President, Public Law 108–147.

Public Law 108–170

Veterans Health Care, Capital Asset, and Business Improvement Act of 2003

(S. 1156, AS AMENDED)

Title: An Act to amend title 38, United States Code, to improve and enhance provision of health care for veterans, to authorize major construction projects and other facilities matters for the Department of Veterans Affairs, to enhance and improve authorities relating to the administration of personnel of the Department of Veterans Affairs, and for other purposes.

S. 1156, as amended, will:

TITLE I—HEALTH CARE AUTHORITIES AND RELATED MATTERS

1. Authorize former prisoners of war to receive outpatient dental care from VA, irrespective of the number of days detained in captivity.
2. Eliminate copayments for pharmaceuticals administered to former prisoners of war.
3. Authorize VA to provide veterans who participated in tests conducted by the Department of Defense (DOD) Deseret Test Center from 1962 through 1973 higher priority for hospital care, medical services and nursing home care without requirement for proof of service-connection through December 31, 2005.
4. Authorize VA to provide hospital and nursing home care and medical services to certain Filipino World War II veterans of the Philippines Commonwealth Army and former Philippines "New Scouts" who permanently reside in the United States, in the same manner as provided to U.S. veterans.
5. Expand VA authority to provide rehabilitative work skills training and development services, employment support services and job development and placement services.
6. Authorize VA to enter into "provider agreements" with non-VA entities to provide veterans with institutional nursing care or non-institutional extended care in a manner similar to such agreements permitted under the Social Security Act.
7. Extend VA's authority to provide a range of non-institutional extended care services as set forth in Public Law 106–117 through December 31, 2008.
8. Extend the mandate to provide medically necessary, institutional nursing care services to severely service-connected disabled veterans through December 31, 2008.
9. Expand and extend VA authority to conduct a pilot program on assisted living for veterans.
10. Increase funding authorization for each of fiscal years 2004 through 2006 from $15,000,000 to $25,000,000 for the provision of specialized mental health services to veterans.

TITLE II—CONSTRUCTION AND FACILITIES MATTERS

1. Increase from $4,000,000 to $7,000,000 the threshold that classifies a medical facility construction project as "major construction."
2. Streamline the process and notification requirements in title 38, United States Code, when the Veterans Health Administration (VHA) proposes an enhanced-use lease of VA properties no longer needed for the delivery of care to veterans
3. Authorize individual VHA facilities to be reimbursed for expenses incurred in the development and execution of enhanced-use leases.
4. Simplify the reporting of the Annual Report on Long-Range Health Planning.
5. Authorize $14,500,000 for the construction of a long-term care facility in Lebanon, Pennsylvania.
6. Authorize $20,000,000 for the construction of a long-term care facility in Beckley, West Virginia.

7. Authorize $98,500,000 for the construction of a new bed tower in Chicago, Illinois.
8. Authorize $48,600,000 for the correction of seismic deficiencies in San Diego, California.
9. Authorize $50,000,000 for medical care and research renovations in West Haven, Connecticut.
10. Authorize $45,000,000 for the construction of a VA-Navy outpatient medical care facility in Pensacola, Florida.
11. Authorize a lease in the amount of $3,000,000 for an outpatient clinic in Charlotte, North Carolina.
12. Authorize a lease in the amount of $2,879,000 for an outpatient clinic extension in Boston, Massachusetts.
13. Authorize advance planning in the amount of $26,000,000 for a major medical facility project in Denver, Colorado.
14. Authorize advance planning in the amount of $9,000,000 for a major medical facility project in Pittsburgh, Pennsylvania.
15. Authorize advance planning in the amount of $25,000,000 for a major medical facility project in Las Vegas, Nevada.
16. Authorize advance planning in the amount of $9,000,000 for a major medical facility project in Columbus, Ohio
17. Authorize advance planning in the amount of $17,500,000 for a major medical facility project in East Central, Florida.
18. Authorize a total of $276,600,000 for fiscal year 2004 for the construction of the projects designated in Section 211.
19. Authorize a total of $86,500,000 for the advance planning authorized in Section 213.
20. Authorize VA to carry out major construction projects in connection with the Capitol Asset Realignment for Enhanced Services (CARES) initiative no sooner than 45 days or 30 days of continuous session of Congress following the submission of a one-time report to Congress by February 1, 2004, that lists each proposed major construction project in order of priority, with such priority established in Section 221(2).
21. Require VA to notify Congress in writing of actions proposed under the CARES initiative that would result in medical facility closures, significant staff realignments or medical facility consolidations and prohibit such actions from occurring until 60 days following the notification or 30 days of continuous session of Congress.
22. Express the sense of Congress of the difficulties that veterans residing in rural areas encounter in gaining access to VA health care facilities and require VA to report actions to be taken to improve rural access to care.
23. Require VA to develop a plan for meeting the future inpatient hospital care needs of veterans who reside in southern New Jersey.
24. Require VA to develop a plan for meeting the future hospital care needs of veterans who reside in southern Texas.
25. Require VA to develop a plan for meeting the future hospital care needs of veterans who reside in north central Washington.
26. Require VA to develop a plan for meeting the future hospital care needs of veterans who reside in the Panhandle area of Florida.

27. Require VA to submit a report on each plan developed under Section 231(a) to the Senate and House Committees on Veterans' Affairs by April 15, 2004.
28. Require VA to conduct a feasibility study in coordination with the Medical University of South Carolina and in consultation with DOD to consider establishing a joint healthcare venture to deliver inpatient, outpatient and/or long-term care to veterans, DOD, and other beneficiaries who reside in Charleston, South Carolina, with a report to the Committees by April 15, 2004.
29. Authorize VA to name the VA Medical Center in Prescott, Arizona, the Bob Stump Department of Veterans Affairs Medical Center.
30. Authorize VA to name the VA Medical Center (West Side Division) in Chicago, Illinois, the Jesse Brown Department of Veterans Affairs Medical Center.
31. Authorize VA to name the VA Medical Center in Houston Texas, the Michael E. DeBakey Department of Veterans Affairs Medical Center.
32. Authorize VA to name the VA Medical Center in Salt Lake City, Utah, the George E. Wahlen Department of Veterans Affairs Medical Center.
33. Authorize VA to name the outpatient clinic in New London, Connecticut, the John J. McGuirk Department of Veterans Affairs Outpatient Clinic.
34. Authorize VA to name the outpatient clinic in Horsham, Pennsylvania, the Victor J. Saracini Department of Veterans Affairs Outpatient Clinic.

TITLE III—PERSONNEL MATTERS

1. Modify the authorities on appointment and promotion of certain personnel in the Veterans Health Administration.
2. Authorize VA to appoint chiropractors as clinical practitioners in the Veterans Health Administration under title 38, United States Code, and set various conditions and requirements associated with these appointments.
3. Authorize premium pay for Saturday duty to additional Veterans Health Administration health care workers with direct patient-care responsibilities.
4. Allow employees of the Veterans' Canteen Service to be considered for appointment in VA positions in the competitive service in the same manner as VA employees in the competitive service are considered for transfer to a Canteen Service position.

TITLE IV—OTHER MATTERS

1. Establish within the Veterans Health Administration (VHA) an Office of Research Oversight to monitor, review and investigate matters of medical research compliance and assurance in the Department of Veterans Affairs (VA), including matters relating to the protection and safety of human subjects and VA employees participating in VA medical research programs. Require various reports to the Congress concerned with this new office.

2. Cover employees of Nonprofit Research Corporations under the Federal Tort Claims Act.
3. Extend authority to establish Nonprofit Research Corporations through December 31, 2008.
4. Authorize DOD to purchase medical equipment, services and supplies through VA's revolving supply fund, and require DOD to reimburse VA's supply revolving fund for any DOD purchases using DOD appropriations.
5. Extend VA's authority to provide certain housing assistance for homeless veterans through December 31, 2008.
6. Change the reporting date requirements on several reports VA is required to make to Congress.

Effective Date: Date of enactment except the following sections:

Sec. 301: Shall take effect 180 days after date of enactment.

Sec. 303: Shall apply with respect to the first pay period beginning on or after January 1, 2004.

Legislative History:

May 23, 2003: Referred to the Senate Committee on Veterans' Affairs.

July 29, 2003: Hearing. Senate Committee on Veterans' Affairs.

September 30, 2003: Senate Committee on Veterans' Affairs ordered reported favorably with an amendment in the nature of a substitute.

November 10, 2003: Senate Committee on Veterans' Affairs reported with an amendment in the nature of a substitute and an amendment to the title, with written report number 108–193.

November 19, 2003: Passed the Senate with an amendment and an amendment to the title by unanimous consent. (Note: consists of certain provisions from S. 1815, H.R. 1720, H.R. 2357, H.R. 2433, H.R. 3260, and H.R. 3387.)

November 21, 2003: Passed the House under suspension by vote of 423–2 (Roll No. 658).

December 6, 2003: Signed by the President, Public Law 108–170.

Public Law 108–183

Veterans Benefits Act of 2003

(H.R. 2297, AS AMENDED)

Title: An Act to amend title 38, United States Code, to improve benefits under laws administered by the Secretary of Veterans Affairs, and for other purposes.

H.R. 2297, as amended, will:

TITLE I—SURVIVOR BENEFITS

1. Provide that remarriage of the surviving spouse of a veteran after attaining age 57 would not result in termination of dependency and indemnity compensation (DIC), home loan, or education benefits eligibility.

2. Expand benefits eligibility to those children with spina bifida who were born to Vietnam-era veterans who served in an area of Korea near the demilitarized zone between September 1, 1967 and August 31, 1971.
3. Permit VA to make payment proceeds from National Service Life Insurance and United States Government Life Insurance policies to alternate beneficiaries should a primary beneficiary not be located.
4. Repeal current law restricting a surviving spouse or dependent children to receiving no more than two years of accrued benefits if the veteran dies while a claim for VA periodic monetary benefits is being processed.

TITLE II—BENEFITS FOR FORMER PRISONERS OF WAR AND FILIPINO VETERANS

1. Add cirrhosis of the liver to the list of presumed service-connected disabilities for former prisoners of war, and eliminate the requirement that a POW be held for 30 days or more to qualify for presumptions of service-connection for certain disabilities: psychosis, any of the anxiety states, dysthymic disorder, organic residuals of frostbite, and post-traumatic osteoarthritis.
2. Provide the full amount of compensation and DIC to eligible members of the new Philippine Scouts, as well as the full amount of DIC paid by reason of service in the organized military forces of the Commonwealth of the Philippines, including organized guerilla units, if the individual to whom the benefit is payable resides in the United States and is either a citizen of the U.S. or an alien lawfully admitted for permanent residence.
3. Extend eligibility for burial in a national cemetery to new Philippine Scouts, as well as eligibility for VA burial benefits, to those who lawfully reside in the United States.
4. Extend the authority of the Secretary of Veterans Affairs to maintain a regional office in Manila, Philippines, through December 31, 2009.

TITLE III—EDUCATION BENEFITS, EMPLOYMENT PROVISIONS, AND RELATED MATTERS

1. Expand the Montgomery GI Bill program by authorizing educational assistance for on-job training in certain self-employment training programs.
2. Increase monthly educational benefits for spouses and dependent children of veterans who have permanent and total disabilities or who have died as a result of service-related causes to $788 for full-time study, $592 for three-quarter time study, and $394 for half-time study.
3. Extend the delimiting date for survivors' and dependents' education benefits when the eligible individual is involuntarily ordered to full-time National Guard duty under title 32, United States Code.
4. Round down to the nearest dollar the annual cost-of-living adjustments to educational assistance benefits.

5. Authorize the use of VA education benefits to pay for non-degree/non-credit entrepreneurship courses at approved institutions.
6. Repeal VA's education loan program authorization.
7. Extend the Veterans' Advisory Committee on Education through December 31, 2009.
8. Furnish federal agencies discretionary authority to create "sole-source" contracts for disabled veteran-owned small businesses—up to $5 million for manufacturing contract awards and up to $3 million for non-manufacturing contract awards.
9. Furnish federal agencies discretionary authority to restrict certain contracts to disabled veteran-owned small businesses if at least two such concerns are qualified to bid on the contract.
10. Mandate that the Department of Labor place staff in veterans' assistance offices at overseas military installations 90 days after date of enactment.

TITLE IV—HOUSING BENEFITS AND RELATED MATTERS

1. Extend VA's specially adapted housing grant to severely disabled servicemembers prior to separation from active duty service.
2. Increase the specially adapted automobile grant from $9,000 to $11,000, and increase the specially adapted housing grants from $48,000 to $50,000 for the most severely disabled veterans and from $9,250 to $10,000 for less severely disabled veterans.
3. Make permanent the VA home loan program for members of the Selected Reserve.
4. Reinstate the Department of Veterans Affairs' vendee loan program.
5. Adjust the funding fee charged to Selected Reserve home loan applications and make certain increases in home loan fees.
6. Extend for one year the procedures on liquidation sales of defaulted home loans guaranteed by the Department of Veterans Affairs.

TITLE V—BURIAL BENEFITS

1. Permit states to receive burial plot allowances for burial of all eligible veterans.
2. Allow a remarried surviving spouse to retain eligibility for burial in a national cemetery based on the prior marriage to a deceased veteran.
3. Make permanent the State Cemetery Grants Program.

TITLE VI—EXPOSURE TO HAZARDOUS SUBSTANCES

1. Require independent oversight of the Department of Defense radiation dose reconstruction program.
2. Require an independent study on the disposition of the Air Force Health Study on "Operation Ranch Hand" veterans.

3. Authorize funding of medical follow-up agency of Institute of Medicine of National Academy of Sciences for epidemiological research on members of the Armed Forces and veterans.

TITLE VII—OTHER MATTERS

1. Make clarifying amendments relating to the Veterans' Claims Assistance Act.
2. Clarify the current prohibition on the assignment of veterans' benefits.
3. Extend for six years the Advisory Committee on Minority Veterans.
4. Authorize a nationwide, five-year contract medical examination pilot program.
5. Expand the list of serious federal criminal offenses a conviction of which would result in a bar to all VA benefits.
6. Extend for two years the requirement to round down to the nearest dollar compensation cost-of-living adjustments.

Effective Date: Date of enactment except the following sections:

Sec. 101: Subsections (a) and (b) shall take effect on January 1, 2004; no benefit may be paid prior to that date. Those surviving spouses who remarried after attaining age 57 but prior to the date of enactment have one year to apply for reinstatement.

Sec. 103: Subsections (a) and (b) shall take effect on October 1, 2004.

Sec. 104: Shall apply with respect to deaths occurring on or after date of enactment.

Sec. 211: Shall apply to benefits paid for months beginning after date of enactment.

Sec. 212: Shall apply to deaths occurring on or after date of enactment.

Sec. 301: Shall take effect on the date that is six months after date of enactment and shall apply to self-employment on-job training approved and pursued on or after that date.

Sec. 302: Shall take effect on July 1, 2004, and shall apply with respect to educational assistance allowances payable under chapter 35 and section 3687(b)(2) of title 38, United States Code, for months beginning on or after that date.

Sec. 303: September 11, 2001.

Sec. 305: Shall apply to courses approved by State approving agencies after date of enactment.

Sec. 306: Subsection (d) shall take effect on date of enactment. Subsections (e), (f), and (g) shall take effect 90 days after date of enactment.

Sec. 309: Amendment made by paragraph (1) shall apply with respect to offices established after date of enactment. Section 309(b) shall take effect not later than 90 days after date of enactment.

Sec. 402: Shall apply with respect to assistance furnished on or after date of enactment.

Sec. 405: January 1, 2004.

Sec. 502: Shall apply with respect to deaths occurring on or after January 1, 2000.

Sec. 701: Shall take effect as if enacted on November 9, 2000, immediately after the enactment of the Veterans Claims Assistance Act of 2000 (P.L. 106–475; 114 Stat. 2096).
Sec. 705: Shall apply to claims filed after date of enactment.

Legislative History:

June 26, 2003: H.R. 2297 ordered reported amended favorably by the Committee on Veterans' Affairs.
July 15, 2003: H.R. 2297 reported amended by the Committee on Veteran's Affairs. H. Rept. 108–211.
October 8, 2003: Passed the House amended under suspension by vote of 399–0 (Roll No. 536).
October 14, 2003: Referred to the Senate Committee on Veterans' Affairs.
November 19, 2003: Passed the Senate with an amendment by unanimous consent. (Note: consists of certain provisions from H.R. 1257, H.R. 1460, and S. 1132.)
November 20, 2003: House agreed to the Senate amendment under suspension by voice vote.
December 16, 2003: Signed by the President, Public Law 108–183.

Public Law 108–189

Servicemembers Civil Relief Act

(H.R. 100, AS AMENDED)

H.R. 100, the Servicemembers Civil Relief Act, is a comprehensive restatement of the Soldiers' and Sailors' Civil Relief Act of 1940 that would clarify and strengthen the rights and protections it provides to persons in military service.

The Act's coverage includes servicemembers' financial obligations and liabilities, such as rent, mortgages, installment contracts and leases; civil (but not criminal) legal proceedings; life insurance; taxes; and rights in public lands.

H.R. 100, as amended, includes:

- Clear guidance that a tax jurisdiction may not use the military compensation of a non-resident servicemember to increase the tax liability imposed on other income earned by the non-resident servicemember or spouse subject to tax by the jurisdiction.
- Clear guidance that the 6 percent interest rate cap for obligations and liabilities of servicemembers incurred before military service results in a reduction of monthly payments and that any interest in excess of the cap is forgiven, consistent with the Act's objective of reducing monthly obligations for servicemembers, including mobilized National Guard or Reserve members who may have a reduced income.
- A right for any active duty servicemember who has permanent change of station orders or who is being deployed for more than 90 days to terminate a housing lease. Currently, a servicemember can be obligated to pay rent for housing he or she is unable to occupy because of a government required move.

- Updated eviction protection to reflect the increase in the cost of rental housing. The current Act only applies to leases of less than $1,200 per month; H.R. 100 would increase that amount to $2,400, and the amount would increase each year in accordance with a housing rental index. It would also require the Secretary of Defense to publish the rental amount annually in the Federal Register.
- An increase in the coverage level for protection against the lapse of life insurance policies when an individual enters military service from $10,000 to $250,000 or the SGLI maximum, whichever is greater.
- Termination of a motor vehicle lease without penalty when a servicemember is called up or deployed for not less than 180 days, or ordered to make a permanent change of station outside of the continental United States.
- Coverage of all motor vehicles and other property by the Act's installment contract protections, so that in the case of a servicemember who, for example, has fallen behind on car lease payments, the lessor must obtain a court order before repossessing the car.
- Clarification that the Act's rights and protections apply to civil administrative proceedings, such as license and zoning matters, which are far more common today than they were in 1940.
- Protection of assets of a servicemember from attachment to satisfy business debts for which the servicemember is personally liable, as long as the assets sought to be attached are not held in connection with the business.
- Improved protection of servicemembers against default judgments.
- A minimum 90-day stay of proceedings at any stage before final judgment in a civil action for a servicemember who is serving on active duty or is within 90 days after termination of active duty and who has received notice of such proceedings, upon proper application.
- An expansion of the professional liability protections to include legal services.

Legislative History:

April 3, 2003: H.R. 100 ordered reported favorably with an amendment in the nature of a substitute by the Committee on Veterans' Affairs by voice vote.

April 30, 2003: H.R. 100 reported amended by the Committee on Veterans' Affairs. H. Rept.108–81.

May 7, 2003: Passed the House amended under suspension by vote of 425–0 (Roll No. 163).

May 8, 2003: Referred to the Senate Committee on Veterans' Affairs.

November 21, 2003: Senate Committee on Veterans' Affairs discharged by unanimous consent.

November 21, 2003: Senate struck all after the enacting clause and substituted the language of S. 1136 amended.

November 21, 2003: Passed the Senate with an amendment by unanimous consent.

December 8, 2003: House agreed to the Senate amendment by unanimous consent.
December 19, 2003: Signed by the President, Public Law 108–189.

Public Law 108–363

Veterans' Compensation Cost-of-Living Adjustment Act of 2004

(H.R. 4175, AS AMENDED)

Title: An Act to increase, effective as of December 1, 2004, 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, and for other purposes.

H.R. 4175, as amended, will:

1. Provide effective December 1, 2004, a cost-of-living adjustment to the rates of disability compensation for veterans with service-connected disabilities and to the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans. The percentage amount would be equal to the increase for benefits provided under the Social Security Act, which is calculated based upon changes in the Consumer Price Index.

Effective Date: Date of enactment

Legislative History:

May 19, 2004: H.R. 4175 ordered reported favorably amended by the Committee on Veterans' Affairs.
June 3, 2004: H.R. 4175 reported amended by the Committee on Veterans' Affairs. H. Rept. 108–524.
July 20, 2004: Considered under suspension of the rules. At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
July 22, 2004: Considered as unfinished business. On motion to suspend the rules and pass the bill, as amended, agreed to by the Yeas and Nays: 421–0 (Roll No. 408).
September 7, 2004: Referred to the Senate Committee on Veterans' Affairs.
October 5, 2004: Senate Committee on Veterans' Affairs discharged by unanimous consent.
October 5, 2004: Senate struck all after the enacting clause and substituted the language of S. 2483.
October 5, 2004: Passed the Senate in lieu of S. 2483 with an amendment by unanimous consent. (Please note: Sections 4 and 5 of H.R. 4175 were dropped when passed by the Senate with an amendment.)
October 8, 2004: House agreed to the Senate amendment under unanimous consent.
October 25, 2004: Signed by the President, Public Law 108–363.

Public Law 108–422

Veterans Health Programs Improvement Act of 2004

(H.R. 3936, AS AMENDED)

Title: An Act to amend title 38, United States Code, to increase the authorization of appropriations for grants to benefit homeless veterans, to improve programs for management and administration of veterans' facilities and health care programs, and for other purposes.

H.R. 3936, as amended, will:

TITLE I—ASSISTANCE TO HOMELESS VETERANS

1. Increase the authorization for the grant and per diem program for homeless veterans from $75 million to $99 million for fiscal year 2005.

TITLE II—VETERANS LONG-TERM CARE PROGRAMS

1. Direct the Secretary to make payments to States to assist them in hiring and retaining nurses in State veterans' homes; makes a State home eligible for such payments if it has an employee incentive program and is receiving per diem payments from VA; limit the amount of payment a State home may receive each year; require a State home receiving such payment to provide an annual report to VA; and require VA to implement the assistance program so that eligible States would begin to receive payments no later than June 1, 2005.
2. Clarify that per diem payments made by VA for the care of veterans in State veterans homes shall not be used to offset or reduce other payments made to assist veterans.
3. Extend until December 31, 2005, VA's authority to provide care to veterans participating in certain long-term care demonstration projects previously authorized in the Veterans Millennium Health Care and Benefits Act.
4. Eliminate copayments for hospice care furnished by VA.

TITLE III—MEDICAL CARE

1. Make permanent the authority of the Secretary to provide sexual trauma counseling to veterans.
2. Establish centers for research, education and clinical activities that specialize in treating complex multi-trauma associated with combat injuries.
3. Reduce the amount authorized to establish four National Medical Emergency Preparedness Centers from $20 million to $10 million per year.

TITLE IV—MEDICAL FACILITIES MANAGEMENT AND ADMINISTRATION

Subtitle A—Major Medical Facility Leases

1. Authorize leases (all requested by the Department of Veterans Affairs (VA)) to be paid from the medical care account for outpatient clinics or other health care facilities which VA currently operates or plans to operate in: Wilmington, North

Carolina, in the amount of $1,320,000; Greenville, North Carolina, in the amount of $1,220,000; Norfolk, Virginia, in the amount of $1,250,000; Summerfield, Florida, in the amount of $1,230,000; Knoxville, Tennessee, in the amount of $850,000; Toledo, Ohio, in the amount of $1,200,000; Crown Point, Indiana, in the amount of $850,000; Fort Worth, Texas, in the amount of $3,900,000; Plano, Texas, in the amount of $3,300,000; San Antonio, Texas, in the amount of $1,400,000; Corpus Christi, Texas, in the amount of $1,200,000; Harlingen, Texas, in the amount of $650,000; Denver, Colorado, in the amount of $1,950,000; Oakland, California, in the amount of $1,700,000; San Diego, California (two sites), in the amount of $1,300,000 and $1,100,000, respectively.

2. Authorize appropriations of $24,420,000 for the leases in the preceding paragraph.
3. Authorize VA to enter into a long-term lease of up to 75 years for land to construct a new medical facility on the Fitzsimons Campus of the University of Colorado, in Aurora, Colorado.

Subtitle B—Facilities Management

4. Provide the Secretary with additional authority to transfer unneeded VA real property and retain the proceeds from the transfer.
5. Require VA to receive fair market value for any transfer of real property, except when transferred to providers of homeless veterans' services receiving grants under section 2011 of title 38, United States Code.
6. Establish a new "Capital Asset Fund" for deposit of proceeds from transfers of real property to be used to defray VA's cost of such transfers, including demolition, environmental remediation, maintenance, repair, establishment of new and improved facilities, historic preservation and administrative expenses.
7. Authorize an appropriation of $10,000,000 for the Capital Asset Fund.
8. Terminate the Nursing Home Revolving Fund and transfer unobligated balances from the fund to the Capital Asset Fund subsequent to the Secretary's certification that VA facilities maintain long-term care capacity as required by law.
9. Require an inventory and two subsequent annual reports to Congress on the status of, and plans for, VA properties listed on the National Register of Historic Properties.
10. Authorize VA to acquire and transfer certain real property in the District of Columbia for use for homeless veterans.
11. Require VA to notify Congress of the impact of actions proposed for health facilities specified in this Act that may result in a facility closure, consolidation, or administrative reorganization, and prohibit such actions from occurring until 60 days following the notification or 30 days of continuous session of Congress as specified.

12. Authorize the use of project funds to construct or relocate surface parking incidental to an authorized major medical facility construction project.
13. Provide the Secretary flexibility in using funds to develop advance planning for major construction projects previously authorized by law.
14. Exempt VA from state and local land use laws under the enhanced-use lease authority.
15. Allow the Commonwealth of Kentucky the first option on the further use of the VA Medical Center in Louisville, Kentucky for a State veterans' home upon any proposed VA disposal of the medical center.
16. Transfer to VA certain property in Boise, Idaho, currently administered by the General Services Administration, for the provision of veterans' benefits.

Subtitle C—Designation of Facilities

17. Authorize VA to name the VA Medical Center in Amarillo, Texas, the Thomas E. Creek Department of Veterans Affairs Medical Center.
18. Authorize VA to name the VA Medical Center in the Bronx, New York, the James J. Peters Department of Veterans Affairs Medical Center.
19. Authorize VA to name the outpatient clinic in Peoria, Illinois, the Bob Michel Department of Veterans Affairs Outpatient Clinic.
20. Authorize VA to name the outpatient clinic in Lufkin, Texas, the Charles Wilson Department of Veterans Affairs Outpatient Clinic.
21. Authorize VA to name the outpatient clinic in Sunnyside, Queens, New York, the Thomas P. Noonan, Jr. Department of Veterans Affairs Outpatient Clinic.

TITLE V—PERSONNEL ADMINISTRATION

1. Establish a pilot program within the Department of Veterans Affairs (VA) to study the use of outside recruitment, advertising and communications agencies and interactive and online technologies, to improve VA's program for recruiting nursing personnel.
2. Add blind rehabilitation personnel to the category of positions VA is permitted to hire through use of a hybrid appointment authority.
3. Repeal the requirement for VA's Under Secretary for Health to be a medical doctor.

TITLE VI—OTHER MATTERS

1. Extend and codify VA's authority to recover overpayments made for fee and contract health care services for veterans.
2. Require VA to establish an inventory of medical waste management activities at VA health care facilities and submit a report to Congress by June 30, 2005, concerning such activities.
3. Clarify that veterans enrolled in VA health care are eligible to use the Veterans' Canteen Service (VCS).

4. Require VA to submit annual reports through 2007 to Congress on veterans' waiting times for VA specialty care appointments.

Effective Date: Date of enactment

Legislative History:

May 19, 2004: H.R. 3936 ordered reported favorably by the Committee on Veterans' Affairs.
June 25, 2004: H.R. 3936 reported by the Committee on Veterans' Affairs. H. Rept. 108–574, Part I.
June 25, 2004: Committee on Armed Services discharged.
July 20, 2004: Passed the House under suspension by voice vote.
July 21, 2004: Received in the Senate.
September 7, 2004: Referred to the Senate Committee on Veterans' Affairs
October 9, 2004: Senate Committee on Veterans' Affairs discharged by unanimous consent.
October 9, 2004: Senate struck all after the enacting clause and substituted the language of S. 2485, as amended.
October 9, 2004: Passed the Senate in lieu of S. 2485 with an amendment and an amendment to the title by unanimous consent. (Note: consists of certain provisions from H.R. 1318, H.R. 2786, H.R. 4231, H.R. 4248, H.R. 4317, H.R. 4608, H.R. 4658, H.R. 4768, H.R. 4836, S. 2485 and S. 2596.)
November 17, 2004: House agreed to the Senate amendments under suspension by voice vote.
November 30, 2004: Signed by the President, Public Law 108–422.

Public Law 108–445

Department of Veterans Affairs Health Care Personnel Enhancement Act of 2004

(S. 2484, AS AMENDED)

Title: An Act to amend title 38, United States Code, to simplify and improve pay provisions for physicians and dentists and to authorize alternate work schedules and executive pay for nurses, and for other purposes.

S. 2484, as amended, will:

1. Establish a reformed compensation system for physicians and dentists appointed in the Veterans Health Administration (VHA) of the Department of Veterans Affairs (VA). The compensation system would require VA to determine the rate of pay for a physician or dentist on the basis of three elements as follows: (1) a 15-step Physician and Dentist Base and Longevity Pay Schedule established in law; (2) a market pay band for clinical specialties and subspecialties set by the Secretary of Veterans Affairs; and (3) an incentive bonus not to exceed the lower of $15,000 or 7.5 percent of the combined base and market pay of a physician or dentist who meets established performance goals set by the Department.

2. Require the Under Secretary for Health to be compensated at the annual rate of base pay for positions at Level III of the Executive Schedule, and permit the Under Secretary who is also a physician or dentist to be paid the market pay element of the reformed compensation system.
3. Require the Secretary to submit a series of reports to Congress on the effectiveness of the reformed compensation system and include an assessment of its impact on recruitment and retention.
4. Establish the effective date of the reformed compensation system to be the first day of the first pay period that begins on or after January 1, 2006.
5. Provide a transition pay authority for physicians and dentists appointed before the effective date of the revised compensation system and guarantee that current physician pay rates would be held harmless.
6. Authorize VA to offer two additional options for alternative tours of duty for nurses working in VA health care facilities as follows: (1) three 12-hour tours of duty in a week would be paid as 40 hours; and (2) nine months of work with three months off in a year that would be paid over a 12-month period.
7. Authorize VA to provide nurse executives employed in VA health care facilities and VA's Central Office special pay allowances of not less than $10,000 or more than $25,000.

Effective Date: Date of enactment except the following section:

Sec. 3: Shall apply on the first day of the first pay period that begins on or after January 1, 2006.

Legislative History:

June 1, 2004: Referred to the Senate Committee on Veterans' Affairs.

June 22, 2004: Hearing. Senate Committee on Veterans' Affairs.

July 20, 2004: Senate Committee on Veterans' Affairs ordered reported favorably with amendments.

September 23, 2004: Senate Committee on Veterans' Affairs reported with an amendment in the nature of a substitute and an amendment to the title, with written report number 108–357.

October 5, 2004: Passed the Senate with an amendment and an amendment to the Title by unanimous consent. (Note: consists of similar provision from H.R. 4231.)

October 6, 2004: Received in the House.

October 6, 2004: Message on Senate action sent to the House.

October 6, 2004: Held at the desk.

November 17, 2004: House agreed to the Senate amendments under suspension by voice vote.

December 3, 2004: Signed by the President, Public Law 108–445.

Public Law 108–454

Veterans Benefits Improvement Act of 2004

(S. 2486, AS AMENDED)

Title: An Act to amend title 38, United States Code, to improve and enhance education, housing, employment, medical, and other benefits for veterans and to improve and extend certain authorities relating to the administration or benefits for veterans, and for other purposes.

S. 2486, as amended, will:

TITLE I—VETERANS EARN AND LEARN ACT

1. Modify VA on-job training and apprenticeship benefit entitlement rates under the Vietnam-era and survivors' and dependents' programs to be consistent with the entitlement rates for the Montgomery GI Bill-Active Duty and Selected Reserve programs and the Post-Vietnam Era Veterans' Educational Assistance Program. The modification would charge benefits entitlement usage based on "dollars used" rather than "time spent" in training, to help the trainee conserve entitlement. This provision would take effect as of October 1, 2005.
2. Increase by 10 percent the percentage of the full-time VA monthly educational assistance allowance payable to individuals pursuing a full-time apprenticeship or on-job training program. For the first six months of training, the percentage of the monthly benefit would increase from 75 percent to 85 percent; for the second six months of training, from 55 percent to 65 percent; and for subsequent months, from 35 percent to 45 percent. These percentage increases would apply to the Montgomery GI Bill Active Duty and Selected Reserve programs, the Post-Vietnam Era Veterans' Educational Assistance program, and the Survivors' and Dependents' Educational Assistance program. This provision would take effect from October 1, 2005 through December 31, 2007.
3. Authorize VA to pay benefits for competency-based apprenticeships, in addition to time-based apprenticeships, and require State approving agencies to consider the recommendation of the Secretary of Labor regarding the approximate term and standards for such registered apprenticeship programs. Competency-based apprenticeships are completed upon demonstration of mastery of job skills rather than a set time period.
4. Extend eligibility for Survivors' and Dependents' Educational Assistance from 10 years to 20 years for a surviving spouse of any person who died on active duty.
5. Authorize VA to provide educational assistance benefits to reimburse eligible beneficiaries for the cost of certain national tests required for admission to institutions of higher learning or graduate schools, and for national tests that can qualify veterans for receipt of college credit.
6. Require coordination of information among the Departments of Veterans Affairs, Defense, and Labor with respect to on-

job training or registered apprenticeships pursued by servicemembers while serving in the military and their receipt of appropriate credit for such training in civilian training programs.

7. Provide the Secretary of Veterans Affairs the discretion to establish a pilot program that furnishes on-job training benefits under VA educational assistance programs to claims adjudicators training in its disability compensation, dependency and indemnity compensation, and pension programs.
8. Permit the Secretary of Defense (or, in cases involving the activation of Coast Guard personnel, the Secretary of Homeland Security) to collect an activated Selected Reserve member's $1,200 payment for use of Active Duty Montgomery GI Bill educational assistance benefits under Chapter 30 of title 38, United States Code, not later than 1 year after completion of 2 consecutive years of active duty.

TITLE II—EMPLOYMENT MATTERS

Subtitle A—Employment and Reemployment Rights

1. Increase from 18 months to 24 months the maximum period of employer-sponsored health coverage that an employee covered by USERRA may elect to continue, beginning with the date the absence from the position of employment begins; and providing that the effective date of the increased coverage would be the date of enactment.
2. Reinstate the requirement for comprehensive annual reports from the Secretary of Labor to Congress on the disposition of cases filed under USERRA; such reports would begin no later than February 1, 2005.
3. Require employers to provide notice to employees of the rights, benefits and obligations of employers and employees that apply under USERRA, and require the Department of Labor to make available to employers the text of the notice to be provided within 90 days after date of enactment.
4. Establish a demonstration project for the referral of federal employee complaints under USERRA to the Office of Special Counsel for investigation and resolution, and require the Secretary of Labor and the Office of Special Counsel to carry out the demonstration project. The Comptroller General is required to evaluate and report on the project.

Subtitle B—Other Matters

5. Direct the Secretary of Veterans Affairs to contract for a report on placement, retention, and advancement of recently separated servicemembers in private sector employment for the purpose of determining ways to improve their employment opportunities.

TITLE III—BENEFITS MATTERS

1. Provide an additional $250 in dependency and indemnity compensation (DIC) paid monthly to the surviving spouse with one or more children below the age of 18. The additional benefit would be paid for months occurring during the

2-year period beginning on the date on which entitlement for DIC commenced.

2. Permit a radiation-exposed veteran who received payment under the Radiation Exposure Compensation Act (RECA), administered by the Department of Justice, to be eligible for VA compensation. A survivor who received a payment under RECA would be entitled to dependency and indemnity compensation (DIC). VA compensation and DIC would be reduced by any amounts received under RECA.
3. Exclude life insurance proceeds paid upon the death of a veteran from consideration as income for death pension benefits.
4. Provide specially adapted automobile and adaptive equipment benefits to veterans who are injured in a VA hospital due to negligence, carelessness, or similar reasons, and to veterans who are injured because of VA-sponsored rehabilitation or training, and specify that such veterans are eligible for specially adapted housing grants.
5. Make an award of death pension effective the first day of the month in which the death occurred if the claim is received within one year from the date of the veteran's death.
6. Codify VA regulations establishing cancer of the bone, brain, colon, lung and ovary as diseases for which a presumption of service connection is made for a veteran exposed to ionizing radiation. In addition, specify that the definition of "radiation-risk activity" includes service in a capacity that, if performed as an employee of the Department of Energy, would qualify the individual for the Energy Employees Occupational Illness Compensation Program Act of 2000, as amended (42 U.S.C. δ7384 et. seq.).
7. Codify the current dollar amounts of disability compensation and dependency and indemnity compensation provided for in Public Law 108–147.

TITLE IV—HOUSING MATTERS

1. Extend eligibility for specially adapted housing grants to veterans with permanent and total service-connected disabilities due to the loss, or loss of use, of both arms at or above the elbows.
2. Allow volunteers to provide services in connection with the construction, alteration, or repair of multi-family transitional housing. Permit commercial activities other than neighborhood retail services and job training programs to be performed by a multi-family transitional housing project.
3. Increase the maximum VA home loan guaranty to 25 percent of the Freddie Mac conforming loan amount for a single family residence and annually index the maximum amount of VA's home loan guaranty for construction or purchase of a home to the Freddie Mac limit. In 2004, the increase is expected to raise from $240,000 to $333,700 the maximum amount for a home loan guaranteed by VA.
4. Reinstate the program of VA-guarantees for adjustable rate mortgages (ARMs) through fiscal year 2008. The program expired at the end of fiscal year 1995.
5. Extend the authority of VA to guaranty hybrid adjustable rate mortgage loans through fiscal year 2008, and make ad-

ditional improvements to the program. This program is set to expire at the end of fiscal year 2005. A hybrid ARM offers lower interest rates (like most adjustable rate loans) after a fixed payment for a longer period of time than most traditional ARMs.

6. Terminate the collection of home loan fees from veterans rated eligible for compensation at pre-discharge rating examinations.
7. Extend the Native American Home Loan program through December 31, 2008.

TITLE V—MATTERS RELATING TO FIDUCIARIES

1. Define a fiduciary as a guardian, curator, conservator, committee or person legally vested with the responsibility or care of a claimant (or the estate) or of a beneficiary (or the beneficiary's estate), or any other person appointed in a representative capacity to receive money paid by VA.
2. Require VA to conduct an inquiry or investigation as to the fitness of a fiduciary, prior to certification. Such inquiry or investigation would include, to the extent practicable, a face-to-face interview, a copy of a credit report within one year of appointment, in addition to the furnishing of any bond that may be required by the Secretary.
3. Require the Secretary, as a part of the inquiry or investigation, to request information about whether the potential fiduciary has been convicted of any offense under Federal or State law.
4. Permit a less rigorous inquiry or investigation of the parent of a minor beneficiary; spouse or parent of an incompetent beneficiary; person appointed by a court of competent jurisdiction; or appointed to manage an estate where the annual amount of veterans' benefits to be managed does not exceed $3,600.
5. Give the Secretary the authority to appoint a temporary fiduciary for a period not to exceed 120 days, if needed to protect the assets of the beneficiary when a determination of incompetence is being made or appealed, or a fiduciary is appealing a determination of misuse.
6. Prohibit the Secretary from continuing the temporary fiduciary beyond 120 days if a final decision has not been made on the competence of the beneficiary or fiduciary, unless the Secretary has obtained a court order for a guardian, conservator or similar legal fiduciary.
7. Prohibit a fiduciary from collecting a fee from the beneficiary for any month when the Secretary or a court has determined the fiduciary has misused some or all of the veterans' benefits.
8. Require the Secretary to repay misused benefits if the misuse is due to the Secretary's failure to investigate or monitor a fiduciary; when the fiduciary is not an individual; or is an individual who, for any month during a period when misuse occurs, serves 10 or more individuals who are beneficiaries.
9. Require the Secretary to conduct periodic on-site reviews of any person or agency located in the United States that

serves as a fiduciary to more than 20 beneficiaries and the total annual amount of benefits exceeds $50,000.
10. Authorize the Secretary to require a fiduciary to personally appear at a VA regional office to receive payments.
11. Authorize federal courts to issue judicial orders of restitution when sentencing a fiduciary who is a defendant in a criminal matter arising from the misuse of benefits.
12. Require the Secretary to include in annual reports information on the fiduciary program including the number of beneficiaries, the types of benefits being paid, the number of cases in which the fiduciary was changed by the Secretary because of a finding that benefits had been misused, and other information concerning actions taken in cases of misuse.

TITLE IV—MEMORIAL AFFAIRS MATTERS

1. Designate a memorial currently under construction at the Riverside National Cemetery in Riverside, California, as: Prisoner of War/Missing in Action National Memorial.
2. Authorize the Secretary of Veterans Affairs to lease any undeveloped land and unused or underutilized buildings belonging to the United States and part of the National Cemetery Administration (NCA). The term of any lease would be limited to 10 years. Proceeds from the lease of land or buildings and proceeds from agricultural licenses of NCA lands would be deposited in a National Cemetery Administration Facilities Operation Fund. Fund proceeds would be available to cover costs incurred by NCA in the operation and maintenance of national cemeteries.
3. Expand the authority of the Secretary of Veterans Affairs to acquire additional lands for national cemeteries by exchanges of existing land.

TITLE VII—IMPROVEMENTS TO SERVICEMEMBERS CIVIL RELIEF ACT (SCRA)

1. Add to the definitions in the general provisions of SCRA that the term "judgment" would mean "any judgment, decree, order or ruling, final or temporary."
2. Clarify that waivers by servicemembers of rights and protections under SCRA must be in writing and must be executed in a separate instrument; and require that certain written waivers must be in at least 12-point type.
3. Provide that plaintiffs as well as defendants may under SCRA request stays of civil proceedings.
4. Clarify that dependents as well as servicemembers are covered by SCRA's residential and motor vehicle lease termination provisions on joint leases.
5. Provide that SCRA's lease termination provisions also apply when the servicemember residing in a State outside the continental United States receives permanent change of station orders to any location outside that State, for example, from Hawaii or Alaska to the 48 contiguous States or a foreign country.
6. Define for the purposes of SCRA's lease termination provisions that the term "military orders" would mean with re-

spect to a servicemember, "official military orders, or any notification, certification, or verification from the servicemember's commanding officer, with respect to the servicemember's current or future military duty status."

7. Define for the purposes of SCRA's lease termination provisions that the term "continental United States" would mean "the 48 contiguous States and the District of Columbia."
8. Clarify that SCRA's lease termination provisions also cover individual deployments, as well as military unit deployments.

TITLE VIII—OTHER MATTERS

1. Authorize the principal office of the United States Court of Appeals for Veterans Claims to be located at any location in the Washington, D.C., metropolitan area, rather than only in the District of Columbia.
2. Extend the requirement for the Advisory Committee on Former Prisoners of War to report to the Secretary of Veterans Affairs through 2009.
3. Provide a veteran separated from the Armed Forces under honorable conditions after 3 years or more of active service with administrative and judicial redress for alleged violations of his or her rights under section 3304(f)(1) of title 5, United States Code, which grants veterans preference to compete for vacant positions in the Federal government.
4. Direct the Secretary of Veterans Affairs to submit a report to Congress, not later than 1 year after date of enactment of this Act, detailing the Department's outreach efforts to make veterans and servicemembers aware of VA benefits and services to which they may be entitled.

Effective Date: Date of enactment except the following sections:

Sec. 102: Shall apply with respect to months beginning after September 30, 2005.

Sec. 103: Shall apply with respect to months beginning on or after October 1, 2005, and before January 1, 2008.

Sec. 202: The Secretary of Labor shall submit a report no later than February 1, 2005, and annually thereafter.

Sec. 203: Not later than the date that is 90 days after the date of enactment, the Secretary of Labor shall make available to employers the notice required under section 4334 of title 38, United States Code.

Sec. 204: The demonstration project shall be carried out during the period beginning on the date that is 60 days after the date of enactment and ending on September 30, 2007.

Sec. 211: Not later than 180 days after the date of enactment, the Secretary of Veterans Affairs shall enter into a contract.

Sec. 301: Shall take effect with respect to payments for the first month beginning after the date of the enactment of this Act.

Sec. 302: Paragraph (4) of section 1112(c) of title 38, United States Code, as added by subsection (a), shall take effect with respect to compensation payments for months beginning after March 26, 2002. Subsection (c) of 1310 of such title, as added by subsection (b), shall take effect with re-

spect to dependency and indemnity compensation payments for months beginning after March 26, 2002.

Sec. 306: Shall take effect as of March 26, 2002.

Sec. 405: Shall not be construed to affect the force or validity of any guarantee of hybrid adjustable rate mortgages under section 3707A of title 38, USC, as in effect on the day before the date of the enactment of this Act.

Sec. 507(a): Except as otherwise provided, this title and the amendments made by this title shall take effect on the first day of the seventh month beginning after the date of enactment.

Sec. 802: December 27, 2001.

Sec. 805: Not later than one year after the date of enactment of this Act, the Secretary of Veterans Affairs shall submit the report to Congress.

Legislative History

June 1, 2004: Referred to the Senate Committee on Veterans' Affairs.

June 6, 2004: Senate Committee on Veterans' Affairs hearing.

July 20, 2004: Senate Committee on Veterans' Affairs ordered reported favorably with amendments.

September 20, 2004: Senate Committee on Veterans' Affairs reported with an amendment in the nature of a substitute and an amendment to the Title, with written report number 108–352.

October 8, 2004: Passed the Senate with an amendment and an amendment to the Title by unanimous consent. (Note: consists of certain provisions from S. 1132, S. 2485, H.R. 1716, H.R. 3936, H.R. 4175, H.R. 4345 and H.R. 4658.)

October 9, 2004: Referred to the House Committee on Veterans' Affairs.

November 17, 2004: House agreed to the Senate amendments under suspension by voice vote.

December 10, 2004: Signed by the President, Public Law 108–454.

ACTIVITIES OF THE COMMITTEE

LEGISLATIVE ACTIVITIES

First Session

Business Meeting to Approve the Committee's Views and Estimates on the Administration's Proposed Budget for the Department of Veterans Affairs for Fiscal Year 2004

On February 27, 2003, the Committee met to consider a report to the Committee on the Budget from the Committee on Veterans' Affairs on the Administration's proposed budget for VA for fiscal year 2004.

The Committee voted 20–1 to send the report as proposed to the Committee on the Budget. The Committee report recommended $64 billion in budget authority for fiscal year 2004. The Committee recommended $30.7 billion in discretionary appropriations. (See Report on the Budget Proposal for Fiscal Year 2004, p. 99)

Full Committee Markup of H.R. 100 and H.R. 1297

On April 3, 2003, the Committee met and marked up two bills: H.R. 100 (see House Report 108–81), and H.R. 1297 (see House Report 108–62). H.R. 100 was ordered reported, as amended, favorably to the House. H.R. 1297 was also ordered reported favorably to the House.

On May 7, 2003, the House passed H.R. 100 by a vote of 425–0 (Roll No. 163).

On December 8, 2003, the House agreed to the Senate amendment to H.R. 100 by unanimous consent.

On December 19, 2003, H.R. 100 was enacted as Public Law 108–189, the Servicemembers Civil Relief Act (see summary, p. 18).

H.R. 1297 was incorporated as Title III of S. 762, the Fiscal Year 2003 Supplemental Appropriations Act, as passed by the Senate on April 7, 2003.

On April 16, 2003, H.R. 1559 was enacted as Public Law 108–11, the Emergency Wartime Supplemental Appropriations Act, 2003.

Markup of H.R. 1460, H.R. 1683, H.R. 1257, H.R. 1562, H.R. 1715 and H.R. 1911

On May 15, 2003, the Committee met and marked up six bills: H.R. 1460, as amended, (see House Report 108–142); H.R. 1683 (see House Report 108–108); H.R. 1257, (see House Report 108–107); H.R. 1562, as amended, that included H.R. 1832 and H.R. 1908 (see House Report 108–114); H.R. 1715; and H.R. 1911 (see House Report 108–115, Part I). H.R. 1911 was also referred to the House Committee on Armed Services. H.R. 1460, as amended, H.R. 1683, H.R. 1257, H.R. 1562, as amended, H.R. 1715 and H.R. 1911 were ordered reported favorably to the House.

On May 21, 2003, the House passed H.R. 1911 by a vote of 426–0 (Roll No. 204).

On November 7, 2003, the House agreed to the Conference Report to H.R. 1588, as amended, the National Defense Authorization Act for fiscal year 2004, which included text identical to H.R. 1911, by a vote of 362–40, 2 Present (Roll No. 617); (see Conference Report 108–354).

On November 24, 2003, H.R. 1588, as amended, became Public Law 108–136, the National Defense Authorization Act for Fiscal Year 2004.

On December 16, 2003, H.R. 2297, as amended, became Public Law 108–183, the Veterans Benefits Act of 2003 (see summary, p. 14).

Markup of H.R. 1516, H.R. 2297, H.R. 116, H.R. 1720, H.R. 2433, H.R. 2595 and H. Con. Res. 159

On June 26, 2003, the Committee met and marked up seven bills: H.R. 1516, as amended, (see House Report 108–199); H.R. 2297, (see House Report 108–210); H.R. 116, as amended, (see House Report 108–200); H.R. 1720, as amended, (see House Report 108–210); H.R. 2357, as amended, (see House Report 108–198); H.R. 2433, as amended, (see House Report 108–213); H.R. 2595, (see House Report 108–197); and H. Con. Res. 159, (see House Report 108–196). H.R. 1516, as amended, H.R. 2297, as amended, H.R. 116, as amended, H.R. 1720, as amended, H.R. 2357, as

amended, H.R. 2433, as amended, H.R. 2595 and H. Con. Res. 159 were ordered reported favorably to the House.

On July 21, 2003, the House passed H.R. 2357, as amended, by voice vote.

On September 10, 2003, the House passed H.R. 2433, as amended, by voice vote.

On September 30, 2003, the House agreed to H. Con. Res. 159 by voice vote.

On October 29, 2003, the House passed H.R. 1720, as amended, (included provisions of H.R. 116, as amended,) by a vote of 417–0 (Roll No. 339).

On November 21, 2003, the House passed S. 1156 (included provisions from H.R. 116, H.R. 1720, and H.R. 2433) by a vote of 423–2 (Roll No. 658).

On December 6, 2003, S. 1156, as amended, became Public Law 108–170, the Veterans Health Care, Capital Asset, and Business Improvement Act of 2003 (see summary p. 10).

Second Session

Markup of H.R. 4231, H.R. 4248, H.R. 3936, H.R. 4345, H.R. 1716 and H.R. 4175

On May 19, 2004, the Committee met and marked up six bills: H.R. 4231, as amended, (see House Report 108–538); H.R. 4248, as amended, (see House Report 108–534); H.R. 3936, (see House Report 108–574); H.R. 4345; H.R. 1716, as amended, (see House Report 108–572); and H.R. 4175, as amended, (see House Report 108–524). H.R. 4231, as amended, H.R. 4248, as amended, H.R. 3936, H.R. 4345, H.R. 1716, as amended and H.R. 4175, as amended, were ordered reported favorably to the House.

On September 30, 2004, the House passed H.R. 4231, as amended, by a vote of 411–1 (Roll No.483).

On October 7, 2004, the House passed H.R. 4248, as amended, by voice vote.

On October 8, the House agreed to the Senate amendment to H.R. 4175.

On October 25, 2004, H.R. 4175, as amended, was enacted as Public Law 108–363, the Veterans' Compensation Cost-of-Living Adjustment Act of 2004 (see summary, p. 20).

On November 17, 2004, the House agreed to the Senate amendments to H.R. 3936 (included H.R. 4248 and provisions of H.R. 4231), by voice vote.

On November 30, 2004, H.R. 3936, as amended, became Public Law 108–422, Veterans Health Programs Improvement Act of 2004 (see summary p. 21).

Markup of H.R. 4768, H.R. 4658, H.R. 1318 and H.R. 4836

On July 21, 2004, the Committee met and marked up four bills: H.R. 4768, as amended, (see House Report 108–663); H.R. 4658, as amended, (see House Report 108–683); H.R. 1318; and H.R. 4836. H.R. 4768, as amended, H.R. 4658, as amended, H.R. 1318 and H.R. 4836 were ordered reported favorably to the House.

On September 13, 2004, the House passed H.R. 1318 and H.R. 4836 by voice vote.

On September 29, 2004, the House passed H.R. 4768, as amended, by voice vote.

On October 7, 2004, the House passed H.R. 4658, as amended, by voice vote.

On November 17, 2004, the House agreed to the Senate amendments to H.R. 3936 (included H.R. 4768) by voice vote.

On November 30, 2004, H.R. 3936, as amended, became Public Law 108–422, the Veterans Health Programs Improvement Act of 2004 (see summary p. 21).

Hearing on Protecting the Rights of Those Who Protect Us: Public Sector Compliance with the Uniformed Services Employment and Reemployment Rights Act and Improvements to the Servicemembers Civil Relief Act

On June 23, 2004, the Committee held a hearing on H.R. 4477, the Patriotic Employer Act of 2004, introduced by Honorable James P. McGovern of Massachusetts, Honorable Jeb Bradley of New Hampshire and Honorable Lane Evans of Illinois on June 2, 2004; H.R. 3779, the Safeguarding Schoolchildren of Deployed Soldiers Act of 2004, introduced by Honorable Louise McIntosh Slaughter of New York and Honorable Ginny Brown-Waite of Florida on February 4, 2004; a draft bill, the USERRA Health Care Coverage Extension Act of 2004, subsequently introduced as H.R. 4659 by Honorable Henry E. Brown Jr. of South Carolina, Honorable Michael H. Michaud of Maine and Honorable Christopher H. Smith of New Jersey on June 23, 2004; a draft bill, the Servicemembers and Veterans Legal Protections Act of 2004, subsequently introduced as H.R. 4658, by Honorable Christopher H. Smith of New Jersey and Honorable Lane Evans of Illinois on June 23, 2004. H.R. 4477, H.R. 4659, and H.R. 4658 were subsequently incorporated into H.R. 1716 and S. 2486 (see Summary, p. 26). The Committee also received testimony that examined compliance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and the Servicemembers Civil Relief Act (SCRA).

Witnesses included: Honorable James P. McGovern of Massachusetts, Honorable Jeb Bradley of New Hampshire, Honorable Louise McIntosh Slaughter of New York, and Honorable Ginny Brown-Waite of Florida who testified on behalf of their legislation. Ms. Tammy Kimmel, Mr. Jason Burris, and Judithe Hanover Kaplan, Ph.D., J.D., M.S.N., RN, also testified about their experience with USERRA and SCRA protections.

Testifying for the Administration were: Honorable Scott J. Bloch, Special Counsel for the U.S. Office of Special Counsel; Honorable Dan G. Blair, Deputy Director for the Office of Personnel Management; Honorable David C. Iglesias, United States Attorney for the District of New Mexico, Department of Justice; Mr. Charles S. Ciccolella, Deputy Assistant Secretary, Veterans' Employment and Training Service, Department of Labor; Mr. Craig W. Duehring, Principal Deputy Assistant Secretary of Defense for Reserve Affairs, Department of Defense; and Colonel Brarry Cox, Director, Military Member Support and Ombudsman Services for the National Committee for Employer Support of the Guard and Reserve.

Testifying on behalf of their respective organizations were: Honorable Pat Quinn, Lieutenant Governor of Illinois, for the Council

of State Governments; Harry A. Van Sickle, Union County Commissioner (PA), for the National Association of Counties; Colonel Robert F. Norton, USA (Ret.), Deputy Director, Government Relations, Military Officers Association of America; Ms. Kathleen Moakler, Deputy Director, Government Relations, National Military Family Association; and Margot Saunders, Esq., Managing Attorney, National Consumer Law Center.

Ms. Tammy Kimmel, an Army spouse, testified about the difficulties she encountered when she and her husband attempted to use their right under the SCRA to terminate their obligations under a residential joint lease. He had permanent change of station orders to go overseas.

The DOD representative, Mr. Craig Duehring, presented the Department's views in support of the draft amendments to SCRA, which were developed in cooperation with DOD. Mr. Duehring did not offer DOD support for H.R. 3779.

The Committee's examination of USERRA compliance in the public sector was a follow-up to the July 24, 2003, hearing on private sector employees. The hearing also explored the merits of expanding the jurisdiction of the Office of Special Counsel (OSC) over USERRA enforcement cases for Federal employees. Honorable Scott J. Bloch, Special Counsel, testified regarding OSC's USERRA enforcement activities and also testified favorably regarding expanded jurisdiction for OSC. Mr. Jason Burris and Dr. Judith Kaplan, both former members of the reserve components and former Federal employees, testified about their USERRA cases and praised the work of the OSC in resolving their cases.

The Committee also considered a draft bill, the USERRA Health Care Coverage Extension Act of 2004, to extend from 18 months to 24 months the maximum period of employer-sponsored health care coverage that a member of the reserve components could elect to continue. The draft bill also contained a provision to reinstate the reporting requirements for the Department of Labor in consultation with the Department of Justice and OSC on USERRA cases reviewed by or referred to them. When USERRA was originally enacted, the reporting requirements ended on February 1, 1996. The draft bill included a requirement for a report on USERRA enforcement activities on February 1, 2005 and annually thereafter. Witnesses testifying on behalf of the Administration supported this proposed legislation, and it was included in H.R. 4658.

OVERSIGHT ACTIVITIES

First Session

Hearing on VA Health Care System

On January 29, 2003, the Committee held an oversight hearing on the current state of VA health care system, with a focus on its capacity to meet the current demand for health care and on the degree to which VA is fulfilling its statutory mission to care for veterans.

The witnesses at this hearing were Honorable Robert H. Roswell, Under Secretary for Health, VA; Mr. Dennis Cullinan, Director, National Legislative Service, Veterans of Foreign Wars; Mr. Peter S. Gaytan, Principal Deputy Director, Veterans Affairs and Reha-

bilitation Commission, The American Legion; Mr. Joseph Violante, National Legislative Director, Disabled American Veterans; Mr. Richard Fuller, National Legislative Director, Paralyzed Veterans of America; Mr. Richard Jones, National Legislative Director, AMVETS; and Dr. Linda Spoonster Schwartz, Chair, Health Committee, Vietnam Veterans of America.

Under Secretary Roswell testified that VA had made adjustments, given its sustainable capacity to meet veterans' health care needs, and shifted priorities to ensure that service-disabled veterans have the first claim on VA health care resources. He described a recent moratorium on establishing any new clinics and discussed co-payments policy, recruitment of new enrollees, a reorganized headquarters leadership and further described the Capital Asset Realignment for Enhanced Services (CARES) process to examine VA's capital needs in the future.

Hearing on the State of Veterans' Employment

On February 5, 2003, the Committee held an oversight hearing on veterans' employment issues. The hearing explored the performance of government programs in three areas: the 3 percent contracting goal set forth in Public Law 106–50, the Veterans Entrepreneurship and Small Business Act of 1999; the implementation of Public Law 107–288, the Jobs for Veterans Act; and the Transition Assistance Program (TAP) as administered by the Department of Labor for servicemembers and spouses transitioning to civilian life.

Witnesses included Mr. Richard Weidman, Vietnam Veterans of America; Mr. John Lopez, Association for Service Disabled Veterans; Mr. Blake Ortner, Paralyzed Veterans of America; Mr. Joseph K. Forney, VetSource; Chief Master Sergeant Elizabeth S. Schouten, Deputy Director of Operations for the United States Air Force Band; Ms. Angela B. Styles, Administrator, Office of Federal Procurement Policy in the Office of Management and Budget, accompanied by Mr. Fred C. Armendariz, Associate Deputy Administrator for Government Contracting and Business Development for the Small Business Administration and Ms. Linda G. Williams, Associate Administrator for Government Contracting for the Small Business Administration; Mr. Kevin Boshears, Director, Office of Small Business Development for Department of Treasury; and Honorable Frederico Juarbe, Jr., Assistant Secretary for Veterans' Employment and Training Service for the Department of Labor, accompanied by Honorable Charles S. Ciccolella, Deputy Assistant Secretary for Veterans' Employment and Training Service and Mr. Ron Bachman, Regional Administrator Chicago/Denver for the Veterans' Employment and Training Service.

Mr. Weidman, Mr. Lopez, and Mr. Ortner thanked the Committee for its work on Public Law 107–288 and testified that it was a first step. Mr. Forney joined them by testifying that the Federal government does not achieve the 3 percent procurement goals of Public Law 106–50 for veteran-owned small businesses.

Chief Master Sergeant Schouten, a transitioning servicemember, testified about the excellent instruction she received while attending her TAP classes.

Ms. Styles testified for the Administration on Public Law 106–50. She stated that she considered the procurement numbers with regard to service-disabled veteran-owned small businesses unacceptable. In her oral testimony, she stated, "I can convey to you a commitment from my office to do a better job, to pay more attention to this program."

Secretary Juarbe testified for the Administration on the implementation of Public Law 107–288 and the TAP program as administered by the Department of Labor. Mr. Juarbe specifically addressed concerns regarding TAP sites at overseas locations and how the Department provides informal services to servicemembers at these locations through the service branches. Mr. Juarbe also discussed the implementation plan for Public Law 107–288.

Hearing on Proposed Fiscal Year 2004 Budget for Veterans Programs

On February 11, 2003, the Committee held a hearing on the fiscal year 2004 budget for veterans programs. The principal witness for the Administration was Honorable Anthony J. Principi, Secretary of Veterans Affairs. The Secretary was accompanied by five Department officials including Honorable Robert H. Roswell, M.D., Under Secretary for Health, and Honorable Vice Admiral Daniel L. Cooper, Under Secretary for Benefits.

The Administration requested $25.2 billion in discretionary funding for veterans medical care, a $1.3 billion increase over the Administration's fiscal year 2003 request.

Veterans service organization representatives presented their Independent Budget proposal for fiscal year 2004. Additionally, veterans service organizations representatives advocated mandatory funding for veterans' health care.

The Committee expressed support for the President's proposal to reduce the pharmacy co-payment burden for Priority 2–5 veterans by raising the income threshold at which such payments would be required. However, the Committee questioned the Administration's proposals to assess a $250 enrollment fee for higher-income veterans; raise the prescription drug co-payment from $7 to $15 for veterans making $24,000 or more a year; and restrict institutional long-term care services to those with service-connected disability rated 70 percent or greater.

Hearing on Past and Present Efforts to Identify Fraud, Waste, Abuse, and Mismanagement in Veterans Programs

On May 8, 2003, the Committee held the first in a series of hearings on congressional efforts to eliminate waste, fraud, abuse, and mismanagement within VA, and to improve the timely delivery of quality health care and benefits for veterans and their families.

Witnesses at the hearing included: Honorable. Richard Griffin, Inspector General, Department of Veterans Affairs; and Ms. Cynthia Bascetta, Director, Healthcare—Veterans' Health and Benefits Issues, General Accounting Office.

The IG testified about ways to improve health care delivery for veterans and summarized a recent audit of VA physician time and attendance, which had been requested by the Secretary of Veterans Affairs. He also stated that VA does not have effective procedures to align staffing levels with workload requirements, and that sav-

ings in excess of $209 million could be realized as a direct result of the establishment of VA's Fugitive Felon program, which stops improper payments of veterans benefits to fugitive felons.

GAO testified about VA's health care and disability benefits. Their witness also testified about excessive waiting times for VA outpatient care, VA's large and aged infrastructure, which is not well aligned to meet veterans' needs, and about the need to consolidate duplicative care provider locations serving the same populations. GAO concluded that VA had made significant progress in the timeliness of its claims processing, but VA's disability criteria are outmoded.

Hearings to Receive the Final Report of the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans

On June 3, 2003, the Committee held the first in a series of two hearings on the final recommendations of the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans, entitled *President's Task Force to Improve Health Care Delivery for Our Nation's Veterans, Final Report 2003.* The witness was Dr. Gail R. Wilensky, Co-Chair of the President's Task Force.

The President's Task Force was established in May 2001 to make recommendations on improving coordination between the Departments of Defense and Veterans Affairs' health care systems. The President's Task Force issued its Final Report on May 26, 2003. Dr. Wilensky testified that the President's Task Force recommended changing the veterans' health care funding process 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." She emphasized that the view of the President's Task Force was that improved coordination between VA and DOD could not be fully realized until the VA health care funding problem is satisfactorily resolved.

Additionally, Dr. Wilensky stated that it was "vital that the field-level managers of the two Departments come to understand the commitment of the top leadership to improved collaborative efforts between VA and DOD." Further, Dr. Wilensky discussed the President's Task Force recommendations to achieve a seamless transition from active duty military to veteran status. She said that the current transition process is often cumbersome, slow, and overly bureaucratic and that "the development and use of electronic medical records that could share data would not only foster collaboration in the delivery of health care services but also reduce medical errors and attendant costs."

On June 17, 2003, the Committee held a follow-up hearing concerning the President's Task Force. Witnesses included: Honorable Leo S. Mackay Jr., Ph.D., Deputy Secretary, VA; Honorable David S. C. Chu, Ph.D., Under Secretary of Defense for Personnel and Readiness, DOD; and the following Commissioners to the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans: Charles R. Anthony, Ph.D.; Mr. Mack G. Fleming; Ms. Susan M. Schwartz; Mr. Robert W. Spanogle; and Mr. Harry N. Walters. Testifying on behalf of the veterans service organiza-

tions and military associations were Mr. Dennis M. Cullinan, National Legislative Director, Veterans of Foreign Wars; Mr. Richard Fuller, National Legislative Director, Paralyzed Veterans of America; Mr. Richard Jones, National Legislative Director, AMVETS; Colonel Robert F. Norton, USA (Ret.), Deputy Director, Government Relations, Military Officers Association of America; Mr. Steve Robertson, Director, National Legislative Commission, The American Legion; Mr. Joseph A. Violante, National Legislative Director, Disabled American Veterans.

The testimony of the witnesses largely related to the central recommendation of the President's Task Force that the veterans' health care funding process be overhauled in order to achieve the necessary funding to meet demand within established access standards.

Second Hearing on Past and Present Efforts to Identify Fraud, Waste, Abuse, and Mismanagement in Programs

On June 10, 2003, the Committee held a second hearing on congressional efforts to eliminate waste, fraud, abuse, and mismanagement within VA. The purpose of the second hearing was to receive testimony from VA and to highlight the Committee's oversight of VA's efforts to streamline and improve efficiencies in its management of benefit delivery systems. The hearing also examined what still needed to be accomplished to further improve the timely delivery of all veterans benefits.

Witnesses included: Honorable Leo S. Mackay, Jr., Ph.D., Deputy Secretary, VA, who was accompanied by Honorable Robert H. Roswell, MD, Under Secretary for Health, Honorable Vice Admiral Daniel L. Cooper, Under Secretary for Benefits, and Honorable William H. Campbell, Assistant Secretary for Management.

Dr. Mackay testified about efforts underway at the Department to prevent fraudulent behavior by employees within the Veterans Benefits Administration and outlined safeguards that had been established to prevent future problems. Dr. Mackay also discussed recommendations made by the VA Procurement Reform Task Force of 2001, and stated that 25 of the 60 task force recommendations had already been implemented. Legislation to change the result of the decision in *Allen* v. *Principi,* 268 F. 3d 1340 (Fed. Cir. 2001), which allows veterans to receive additional compensation for secondary substance abuse caused by a veteran's disability, was cited by VA as one of its major legislative proposals. This prompted many questions by members of the Committee. Dr. Mackay also noted problems with the computation and processes used to report activities related to some competitive outsourcing activities.

Hearing to Evaluate the Status of VA and DOD Efforts to Provide Seamless Health Care Coverage to Transitioning Veterans

On October 16, 2003, the Committee held an oversight hearing to evaluate availability of medical care for servicemembers immediately following deployments, including Guard and Reserve members, and the transition between DOD and VA of servicemembers being discharged.

The following witnesses testified from VA: Honorable Robert H. Roswell, MD, Under Secretary for Health, accompanied by Michael

J. Kussman, MD, Deputy Chief Patient Care Officer, Veterans Health Administration, Mr. William D. Stinger, Deputy Under Secretary for Benefits, Veterans Benefits Administration; and Harold Kudler, MD, Chairman, Under Secretary for Health's Special Committee on Post-Traumatic Stress Disorder (PTSD).

Mr. Edward Wyatt, Jr., Principal Deputy Assistant Secretary of Defense for Health Affairs, accompanied by Lieutenant General James B. Peake, MD, The Surgeon General, U.S. Army; Vice Admiral Michael L. Cowan, MD, Surgeon General of the Navy; Lieutenant General George Peach Taylor, Jr., MD, Surgeon General of the U.S. Air Force; Mr. Tom Bush, Director, Program Integration, Office of the Secretary Defense Reserve Affairs Manpower and Personnel; and Chaplain Gary Mauck, Lieutenant Colonel, U.S. Army Reserve, Fort Stewart, Georgia, accompanied by Colonel John Kidd, Fort Stewart Garrison Commander; presented statements for DOD.

Mr. Neal P. Curtin, Director, Defense Capabilities and Management, accompanied by Mr. Clifton Spruill, Assistant Director, Defense Capabilities and Management, provided testimony for the General Accounting Office (GAO).

Colonel Robert T. Frame, DDS, U.S. Army Reserve; Senior Master Sergeant Robbin Halcomb, Air National Guard; Mr. Nelson Villegas, U.S. Army veteran; and Mrs. Arvilla Stiffler, mother of Mr. Jason Stiffler, U.S. Army veteran testified about their experiences with the transition between DOD and VA health care systems.

This hearing included personal accounts and analysis of individual experiences of separating servicemembers transitioning from DOD to VA programs following a serious illness or injury while on active duty. GAO reported its most recent findings concerning DOD pre- and post-deployment health screenings, health records maintenance and in-theater health tracking of troops. The Committee heard testimony from health care executives from both Departments, including the Surgeons General of the U.S. Army, Navy and Air Force and a Reserve Affairs official.

Additional witnesses provided a view of what occurs beyond the metropolitan Washington, DC area, for both DOD and VA and their patients. Chaplain Mauck, an Army Reserve Lieutenant Colonel from Fort Stewart, Georgia, testified about the pastoral programs the Army has established to assist returning troops with post-traumatic stress disorder (PTSD) and about the general stresses of returning from deployment. Dr. Kudler, the Chairman of the VA Advisory Committee on PTSD, also testified about VA's "Iraq War Clinicians Guide" and the sixteen clinical practice guidelines developed jointly by VA and DOD for the management of PTSD.

Second Session

Hearing on VA's Long-Term Care Policies

On January 28, 2004, the Committee held a hearing to examine existing VA long-term care programs and VA's strategy for addressing future long-term care needs of aging and disabled veterans. GAO also presented testimony based on its reported findings in *VA Long-Term Care: Changes in Service Delivery Raise Important Questions,* GAO–04–425T, January 28, 2004.

Government witnesses included: Honorable Robert H. Roswell, MD, Under Secretary for Health, VA, accompanied by James F. Burris, M.D, Chief Consultant for Geriatrics and Extended Care Strategic Healthcare Group; John D. Daigh, Jr., MD, Assistant Inspector General for Health Care Inspections, Office of Inspector General, VA, accompanied by Ms. Victoria Coates, Director, VA Atlanta Regional Office of Healthcare Inspections, Office of Inspector General; and Ms. Cynthia A. Bascetta, Director, Veterans' Health and Benefits Issues, General Accounting Office (GAO), accompanied by Mr. Jim Musselwhite, Assistant Director, Health Care.

Other witnesses included: Joel Streim, MD, President, American Association for Geriatric Psychiatry; Ms. Jade Gong, RN, FAACN, Member of VA Geriatrics and Gerontology Advisory Committee, Health Strategy Associates; Ms. Linda Sabo, Executive Director, Alzheimer's Association Western New York Chapter; Mr. Phillip Jean, President, National Association of State Veterans Homes, and Administrator of the Maine Veterans Home in Scarborough.

Statements for the record were submitted by Ms. Carol Rutherford, Director, Veterans Affairs and Rehabilitation Division, The American Legion; Mr. Richard Jones, National Legislative Director, AMVETS; Mr. Adrian M. Atizado, Assistant National Director, Disabled American Veterans; Mr. Fred Cowell, Health Policy Analyst, Paralyzed Veterans of America; Mr. Paul A. Hayden, Deputy Director, National Legislative Service, Veterans of Foreign Wars; Mr. Richard Weidman, Director of Government Relations, Vietnam Veterans of America; Charles H. Roadman II, MD, CNA, President and Chief Executive Officer, American Health Care Association.

The Committee learned that VA's long-term care services have undergone some positive changes in recent years, but VA's commitment to long-term care has not kept pace with veterans' needs, and access to VA care and the basic availability of these programs remain variable from network to network.

Many of the concerns expressed at the May 22, 2003, Subcommittee hearing on long-term care remained unresolved. Issues related to VA's role in meeting the long-term health care needs of aging veterans, and the challenge to improve its management and direction of long-term care policies will require continued Committee oversight.

Hearing on the President's Proposed Fiscal Year 2005 Budget for the Department of Veterans Affairs

On February 4, 2004, the Committee held a hearing on the VA budget for fiscal year 2005. The Administration requested $64.9 billion in new appropriations in the VA budget. Of this total, $35.2 billion was for entitlement programs such as disability compensation and Montgomery GI Bill payments, and $29.7 billion in discretionary funding was for health care, medical research and administration of the benefits and cemetery systems.

VA witnesses testifying at the hearing included: Honorable Anthony J. Principi, Secretary of Veterans Affairs, accompanied by Honorable Robert H. Roswell, MD, Under Secretary for Health; Honorable Daniel L. Cooper, Under Secretary for Benefits; Honorable John W. Nicholson, Under Secretary for Memorial Affairs;

Honorable Tim S. McClain, General Counsel; and Honorable William H. Campbell, Assistant Secretary for Management.

Testifying on behalf of military and veterans service organizations were the following witnesses: Mr. Dennis Cullinan, Director, National Legislative Service, Veterans of Foreign Wars; Mr. Richard Fuller, National Legislative Director, Paralyzed Veterans of America; Mr. Richard Jones, National Legislative Director, AMVETS; and Mr. Joseph A. Violante, Disabled American Veterans; Mr. Peter S. Gaytan, Principal Deputy Director of the Veterans Affairs and Rehabilitation Division, The American Legion; Mr. Richard C. Schneider, National Director, Veterans and State Affairs, Non Commissioned Officers Association; Colonel Robert F. Norton, USA (Ret.), Co-Chair, Veterans Committee, The Military Coalition; Mr. Morgan Brown, Co-Chair, Veterans Committee, The Military Coalition; and Mr. Richard Weidman, Director of Government Relations, Vietnam Veterans of America.

Secretary Principi presented the Administration's fiscal year 2005 budget requirements for veterans programs, and representatives of the veterans service organizations presented their Independent Budget proposal, with varying perspectives on the levels of funding for VA programs.

Hearing on Employing Veterans of Our Armed Forces

On March 24, 2004, the Committee held an oversight hearing on employing veterans of our armed forces. Witnesses included Mr. Joseph J. Grano, Jr., Chairman, UBS Financial Services Inc.; Mr. Steven A. Wohlwend, Senior Division Manager, Industrial Relations, Deere & Company; Mr. Robert W. Smith III, Global Controller, Service Engineering Operations, Ford Motor Company; Mr. Joseph Keith Kellogg, Senior Vice President, Homeland Security Solutions, Oracle Corporation; Mr. Wesley Poriotis, Chief Executive Officer, The Center for Military and Private Sector Initiative, Inc., Veterans Across America; Mr. Harold A. Scott, Vice President, Human Resources, Harley-Davidson Motor Company; Mr. Kevin M. Horigan, Group Vice President, Public Services, PeopleSoft; Mr. Brad L. Champlin, Executive Vice President, Union Planters Corporation; and Mr. Robert C. Crawford, Vice President, Staffing, Prudential Financial.

The witnesses from business and industry uniformly testified that former servicemembers as a class of individuals are valued business assets for several reasons, including their loyalty, work habits, self-discipline, dependability, and commitment. Witnesses generally expressed a lack of knowledge as to how to have a job within their company approved for veterans' training in the form of an on-job training or apprenticeship program administered by VA. Mr. Poriotis testified to a "deselective bias" that can exist in private-sector hiring practices because relatively few chief human resources officers have served in the military. Mr. Grano spoke to language and other terminology barriers private companies encounter in understanding how military occupational specialties can translate to civilian jobs.

Hearing on Homeless Assistance Programs for Veterans

On May 18, 2004, the Committee held an oversight hearing on Federal homeless assistance programs for veterans, and VA's co-

ordination with community-based providers and other Federal agencies, principally the Departments of Health and Human Services (HHS) and Housing and Urban Development (HUD). The purpose of this hearing included a review of Public Law 107–95, the Homeless Veterans Comprehensive Assistance Act of 2001, and VA's progress in implementing this law and the transitional housing authority of Public Law 105–368, the Veterans Programs Enhancements Act of 1998.

Witnesses who testified at this hearing included: Honorable Gordon H. Mansfield, Deputy Secretary of Veterans Affairs, accompanied by Mr. Peter H. Dougherty, Director, Office of Homeless Veterans Programs; Ms. M. Gay Koerber, Associate Chief Consultant, Health Care for Homeless Veterans; Mr. Claude B. Hutchison, Jr., Director, Office of Asset Enterprise Management; Ms. Patricia Carlile, Deputy Assistant Secretary for Special Needs Programs, HUD; Mr. Don Winstead, Deputy Assistant Secretary for Planning and Evaluation, Office of Human Services Policy, HHS; Mr. John Kuhn, LCSW, MPH, Homeless Program Coordinator, VA New Jersey Health Care System, accompanied by Mr. Robert Valentino, Mr. Ralph Owens, and Mr. Thaddeus McNair; Richard McCormick, Ph.D., Hudson, Ohio; Ms. Linda Boone, Executive Director, National Coalition for Homeless Veterans, Washington, DC; Mr. William G. D'Arcy, Catholic Charities of the Archdiocese of Chicago, Chicago, Illinois; Mr. James W. Manning, Commissioner, Housing Authority of the Township of Neptune, Neptune, New Jersey; Mr. Carlos Martinez, President and CEO, American GI Forum, National Veterans Outreach Program, Inc., San Antonio, Texas.

At this hearing, the Committee heard testimony about successes of the program in Lyons, New Jersey. In rebuilding their lives, three formerly homeless veterans are helping other veterans by outreach, example, training and mentoring, operating businesses, and developing a website.

Follow-up Hearing on Eliminating Waste, Fraud, and Abuse in Veterans' Programs

On June 17, 2004, the Committee held its third hearing on congressional efforts to eliminate waste, fraud, abuse, and mismanagement within VA. The purpose of the hearing was to review how VA has addressed ongoing problems that were reviewed in previous hearings held on May 8, 2003 and June 10, 2003.

Witnesses included: Honorable Gordon H. Mansfield, Deputy Secretary, VA; Mr. McCoy Williams, Director, Financial Management and Assurance Team, General Accounting Office; and Honorable Richard Griffin, Inspector General (IG), VA.

Deputy Secretary Mansfield focused the first part of his testimony on the problems encountered with the implementation of the Core Financial and Logistics System, which is an integration of financial and management information systems, at Bay Pines VA Medical Center, FL. He also testified that the IG, the House Committee on Appropriations, and Carnegie Mellon University were conducting investigations and would issue reports later in the year on their findings. Deputy Secretary Mansfield also provided an update on several areas discussed in previous hearings and discussed how the Department intended to address the problems outlined, in-

cluding part-time physicians and attendance, staffing levels, and improvements in the collections process.

The IG indicated during the Committee's June 17, 2004, hearing on VA's efforts to curtail waste, fraud, abuse, and mismanagement that additional funding was critical to maintain a current level of return of investment for the Fugitive Felon Program. A hearing outcome was that on June 18, 2004, the Committee requested that the Appropriations Committee provide an additional $7.8 million to fully fund VA's Office of Inspector General (OIG), in its efforts mandated by Public Law 107–103 to eliminate payments to fugitive felons.

Hearing on the Evolution of VA-DOD Collaboration in Research and Amputee Care for Veterans of Current and Past Conflicts and on Needed Reforms in VA Blind Rehabilitation Services

On July 22, 2004, the Committee held an oversight hearing on the evolution of VA-DOD collaboration in research and amputee care for veterans of current and past conflicts, and on needed reforms in VA blind rehabilitation services.

Witnesses from VA included: Michael J. Kussman, MD, Acting Deputy Under Secretary for Health; Mindy L. Aisen, MD, Deputy Chief Research and Development Officer; Mr. Frederick Downs, Jr., Chief Consultant, Prosthetic and Sensory Aids Service Strategic Healthcare Group; Rory A, Cooper, Ph.D., Director, Center of Excellence on Wheelchairs and Associated Rehabilitation Science and Engineering, VA Healthcare System, Pittsburgh, Pennsylvania; Ms. Penny L. Schuckers, MSW, Chief, Eastern Blind Rehabilitation Center and Clinic, VA Medical Center, West Haven, Connecticut; Mr. Bruce W. Davis, MSW, Visual Impairment Services Team Coordinator, North Florida/South Georgia VA Medical Center, Gainesville, Florida; and Ms. Nancy J. Strohm, MSW, VISOR Coordinator, VA Medical Center, Lebanon, Pennsylvania.

Testifying for DOD were the following witnesses: Brett P. Giroir, MD, Deputy Director, Defense Sciences Office, Defense Advanced Research Projects Agency; Paul F. Pasquina, MD, Chief, Physical Medicine and Rehabilitation, Walter Reed Army Medical Center; Mr. Chuck Scoville, Program Manager, U.S. Army Amputee Patient Care, Walter Reed Army Medical Center; Sergeant David Sterling, United States Army; and Staff Sergeant Ryan Kelly, United States Army.

Testimony was provided by Ms. Cynthia A. Bascetta, Director, Veterans' Health and Benefits Issues, Government Accountability Office (GAO), and formerly known as the General Accounting Office.

Mr. Thomas H. Miller, Executive Director, Blinded Veterans Association; Mr. John Fales, President, Blinded American Veterans Foundation; Ms. Joy J. Ilem, Assistant National Legislative Director, Disabled American Veterans; Mr. Richard B. Fuller, National Legislative Director, Paralyzed Veterans of America presented testimony on behalf of veterans service organizations.

Other witnesses included: Mr. Bert Harman, President and CEO, Otto Bock Healthcare; and Mr. Robert Conetta, United States Army veteran.

The Committee considered testimony affecting 157,000 legally blind veterans, 44,000 of whom are enrolled in VA health care. According to the testimony, more than 2,000 of these blinded veterans have received treatment in the VA's Blind Rehabilitation Centers. One focus of the hearing was the degree to which changes may be needed in VA's approach to caring for blinded and visually-impaired veterans.

GAO found that, as a consequence of the growing number of veterans in need of blind rehabilitation services and VA's reliance on ten regional centers of excellence to provide that care, the average waiting time is excessive for a veteran to be admitted to a blind rehabilitation center. GAO reported to the Committee, and VA agreed, that waiting time management for blind rehabilitation needs to be improved. Also, GAO testified on the need for VA to reform its program management. The Committee expressed its view that VA should advance its planning to make visual-impairment services more available to veterans where they live, rather than requiring veterans to report to specialized centers for these services.

A second focus of the hearing was to learn more about recent efforts on the part of VA and DOD to improve care for servicemembers and veterans suffering the effects of recent traumatic amputations in the war on terrorism. The hearing examined several aspects of the treatment being provided to these survivors, and how this treatment improves the lives of those who are wounded.

Three Years After 9/11: Is VA Prepared to Fulfill Its Roles in Homeland Security?

On August 26, 2004, the Committee held a hearing to address the findings of the National Commission on Terrorist Attacks Upon the United States (also known as the 9/11 Commission) and to examine VA's role in the National Response Plan and other homeland security contingency plans; VA's preparations to fulfill those obligations and duties; VA's coordination and collaboration with other Federal agencies charged with homeland security functions; and VA's integration into both national and local emergency prevention and response plans.

Witnesses included: Honorable Gordon H. Mansfield, Deputy Secretary, VA, accompanied by Honorable Robert N. McFarland, Assistant Secretary for Information and Technology; Jonathan B. Perlin, MD, Acting Under Secretary for Health, VA; Mr. Robert J. Epley, Associate Deputy Under Secretary for Policy and Program Management, VBA; Major General Lester Martinez-Lopez, Commanding General, U.S. Army Medical Research and Materiel Command and Fort Detrick, DOD; Honorable Stewart Simonson, Assistant Secretary for Public Health Emergency Preparedness, Department of Health and Human Services; Neil C. Livingstone, Ph.D, Chief Executive Officer, Global Options, Inc.; Jerry L. Mothershead, MD, Former Senior Medical Consultant, Navy Medicine Office of Homeland Security, Physician Advisor, Medical Readiness and Response Group, Batelle Memorial Institute; and Karl Y. Hostetler, MD, VA San Diego Healthcare System.

VA testified that funding for its initiative relating to Homeland Security rose from $84.5 million in fiscal year 2002 to $271 million in fiscal year 2004, and its budget request for fiscal year 2005 was $297 million. VA also described its partnership in the National Disaster Medical System, specifically its role in the aftermath of Hurricane Charley. VA reiterated that one of its major roles in the National Disaster Medical System is the management of four pharmaceutical and medical supply caches for the Department of Homeland Security and Federal Emergency Management Agency and two additional special caches for other Federal agencies. Secretary Mansfield restated his support for the Committee's efforts to secure funding for VA emergency preparedness centers.

General Martinez-Lopez discussed the work carried out at Fort Detrick, MD, in training first responders, and military and civilian care providers to treat exposure to chemical and biological agents. He also testified about VA's role in the development of an oral smallpox vaccine. General Lopez addressed the collaboration between VA, DOD and NIH on neurodegenerative diseases research. Mr. Simonsen testified about HHS' interagency working group and efforts to develop recommendations to address availability of health care providers to respond to a mass casualty event.

Dr. Mothershead stated that most medical facilities are able to return to normal or near normal operation within 48 hours of an event. Dr. Mothershead further stated that while 500 hospitals or 10 percent of the total hospitals in the country and 25 percent of the medical emergency departments have closed, the demand has not declined. He expressed concern that there are no national standards to effectively measure the Nation's ability to handle a significant terrorist attack.

ACTIVITIES OF THE SUBCOMMITTEES

SUBCOMMITTEE ON HEALTH

The Subcommittee on Health has legislative, oversight and investigative jurisdiction over veterans' hospitals, medical care, and treatment of veterans (see Oversight Plan for 108th Congress, p. 91).

LEGISLATIVE ACTIVITIES

First Session

Subcommittee Markup of H.R. 1562, H.R. 1715, H.R. 1832, H.R. 1908, and H.R. 1911

On May 6, 2003, the Subcommittee on Health met and marked up five bills: H.R. 1562, H.R. 1715, H.R. 1832, H.R. 1908, and H.R. 1911. All five bills were reported favorably to the Full Committee (see Full Committee Markup, p. 33).

Hearing on H.R. 1720, H.R. 116, H.R. 2307, and H.R. 2349

On June 11, 2003, the Subcommittee on Health held a legislative hearing to consider the following four bills: H.R. 1720, the Veterans Health Care Facilities Capital Improvement Act, introduced by Honorable Rob Simmons of Connecticut on April 10, 2003; H.R. 116, Veterans' New Fitzsimons Health Care Facilities Act of 2003,

introduced by Honorable Joel Hefley of Colorado on January 7, 2003; H.R. 2307, introduced by Honorable David L. Hobson of Ohio on June 3, 2003, to establish new VA medical facilities in the area of Columbus, Ohio and in south Texas; and H.R. 2349, introduced by Honorable Lane Evans of Illinois on June 5, 2003, to authorize construction of a new bed tower at the VA West Side facility in Chicago and certain other major medical facility projects.

Witnesses included: Honorable Robert H. Roswell, MD, Under Secretary for Health, VA, who was accompanied by Mr. D. Mark Catlett, Principal Deputy Assistant Secretary for Management and Mr. Robert L. Neary, Jr., Associate Chief Facilities Management Officer for Service Delivery; Ms. Cathleen C. Wiblemo, Deputy Director, Health Care, Veterans Affairs and Rehabilitation Division, The American Legion; Mr. Richard Jones, National Legislative Director, AMVETS; Mr. Adrian M. Atizado, Associate National Legislative Director, Disabled American Veterans; Mr. Carl Blake, Associate Legislative Director, Paralyzed Veterans of America; and Mr. Paul A. Hayden, Deputy Director, National Legislative Service, Veterans of Foreign Wars.

Statements for the Record were received from Honorable Joel Hefley of Colorado; Honorable David L. Hobson of Ohio; Honorable Solomon P. Ortiz of Texas; Honorable Deborah Pryce of Ohio; and Honorable Lane Evans of Illinois.

VA supported H.R. 1720 and H.R. 116. VA also supported Sections 1, 2, and 3 of H.R. 2349, but expressed opposition to Section 4 of the bill, which would prohibit VA from spending funds to dispose of VA's Lakeside property until a contract is awarded to construct a new bed tower on VA's West Side campus. Regarding H.R. 2307, VA agreed that the need for an expanded replacement outpatient clinic in Columbus was appropriate, but stated that it was premature to endorse a proposed new facility in south Texas. VA also requested that the Subcommittee consider additional project leases included in the President's fiscal year 2004 budget for Boston, MA; Pensacola, FL; and for a Health Administration Center in Denver, CO. Authorization for VA seismic projects listed in the President's 2003 budget at facilities in Palo Alto, San Francisco, and West Los Angeles remained a high priority for the Department.

All of the veterans service organizations representatives testified in support of the four bills and the Subcommittee's efforts to improve the capital infrastructure of VA's health care system, with one exception. The Disabled American Veterans expressed some concern about H.R. 1720, asserting that whatever option is approved for the Denver area, VA should maintain a separate identity with direct line authority in all areas involving care of veteran patients.

Subcommittee Markup of H.R. 116, H.R. 1720, H.R. 2357, and H.R. 2433

On June 24, 2003, the Subcommittee on Health met and marked up four bills: H.R. 116, with an amendment; H.R. 1720, with an amendment; H.R. 2357, with an amendment; and H.R. 2433, with an amendment. All four bills were favorably reported to the Full Committee (see Full Committee Markup, p. 33).

Hearing on H.R. 1585

On Tuesday, July 15, 2003, the Subcommittee on Health held a legislative hearing to consider H.R. 1585, a bill to establish an office to oversee research compliance and assurance within VHA, and to provide for a Director of such office, introduced by Honorable Steve Buyer of Indiana on April 3, 2003.

Witnesses included: Honorable Robert H. Roswell, MD, Under Secretary for Health, VA, accompanied by Mindy L. Aisen, MD, Deputy Chief Research and Development Officer, David A. Weber, Ph.D., Acting Chief of the Office of Research Oversight, and Lynn Cates, MD, Assistant Chief Research and Development Officer; and John Clarkson, MD, Senior Vice President for Medical Affairs and Dean of the University of Miami School of Medicine, on behalf of the Association of American Medical Colleges (AAMC).

Dr. Roswell testified that the legislation was unnecessary because actions approved by the Secretary and undertaken by VA to realign human research protection responsibilities and activities within the Office of Research and Development achieved the objectives of H.R. 1585. Additionally, he outlined criticisms of certain other provisions of H.R. 1585. On behalf of the AAMC, Dr. Clarkson supported the principle and intent of the legislation.

Hearing on H.R. 2379 and H.R. 3094

On September 30, 2003, the Subcommittee on Health held a hearing to consider two bills to improve veterans' access to health care: H.R. 2379, the Rural Veterans Access to Care Act of 2003, introduced by Honorable Tom Osborne of Nebraska on June 5, 2003, and H.R. 3094, the Veterans Timely Access to Health Care Act, introduced by Honorable Ginny Brown-Waite of Florida on September 16, 2003.

Witnesses included: Honorable Tom Osborne of Nebraska; Honorable Jon C. Porter of Nevada; Honorable Robert H. Roswell, MD, Under Secretary for Health, VA; Mr. Arthur L. Johnsen, Franklin County Veterans Service Officer, Nebraska; Mr. John J. Kenney, Citrus County Veterans Service Officer, Florida; Ms. Cathleen Wiblemo, Deputy Director for Health Care, Veterans Affairs and Rehabilitation, The American Legion; Mr. Dennis Cullinan, National Legislative Director, Veterans of Foreign Wars; Mr. William Carl Blake, Associate Legislative Director, Paralyzed Veterans of America; Mr. Adrian M. Atizado, Assistant National Legislative Director, Disabled American Veterans; Mr. Rick Weidman, Director, Government Relations, Vietnam Veterans of America; and Mr. Richard Jones, National Legislative Director, AMVETS.

Representative Osborne testified that H.R. 2379 would allow enrolled veterans who live in highly rural areas to seek health care and receive medical treatment closer to their homes. Representative Brown-Waite stated that H.R. 3094 would ensure that veterans have swift and speedy access to necessary health care. Under Secretary Roswell presented the Administration's view that both H.R. 2379 and H.R. 3094 would be harmful to VA's existing efforts to improve overall access to VA health care.

Second Session

Hearing on H.R. 4020, H.R. 4231, H.R. 3849, and H.R. 4248

On May 6, 2004, the Subcommittee on Health held a hearing to consider the following legislation: H.R. 4020, State Veterans' Home Nurse Recruitment and Retention Act of 2004, introduced by Honorable Christopher H. Smith of New Jersey on March 23, 2004; H.R. 4231, Department of Veterans Affairs Nurse Recruitment and Retention Act of 2004, introduced by Honorable Rob Simmons of Connecticut on April 28, 2004; H.R. 3849, Military Sexual Trauma Counseling Act of 2004, introduced by Honorable Ciro Rodriguez of Texas on February 26, 2004; H.R. 4248, Homeless Veterans Assistance Reauthorization Act of 2004, introduced by Honorable Christopher H. Smith of New Jersey on April 29, 2004; and a draft bill to reform the qualifications and selection requirements for the position of the Under Secretary for Health.

VA witnesses included: Honorable Gordon H. Mansfield, Deputy Secretary, who was accompanied by Honorable Tim S. McClain, General Counsel, Jonathan B. Perlin, MD, Acting Under Secretary for Health, VA, and Mr. Thomas J. Hogan, Deputy Assistant Secretary for Human Resources Management.

Additional witnesses included: Linda S. Schwartz, RN, Dr.PH, Commissioner of the Connecticut Department of Veterans Affairs; Andrea Mengel, Ph.D., R.N., Head, Department of Nursing, Community College of Philadelphia, representing the American Association of Community Colleges; Ms. Marsha Four, RN, Chair of VA Advisory Committee on Women Veterans; Mr. Robert Van Keuren, Chair of VA Advisory Committee on Homeless Veterans; Ms. Cathleen C. Wiblemo., Deputy Director, Health Care, The American Legion; Mr. Rick Weidman, Director, Government Relations, Vietnam Veterans of America; Mr. Richard Jones, National Legislative Director, AMVETS; Mr. Richard Fuller, National Legislative Director, Paralyzed Veterans of America; Mr. Dennis Cullinan, National Legislative Director, Veterans of Foreign Wars; and Mr. Adrian M. Atizado, Assistant National Legislative Director, Disabled American Veterans.

VA testified in support of H.R. 4248, H.R. 3849 and the intent of the draft bill to amend the procedures for appointment and qualifications of the Under Secretary for Health. VA opposed H.R. 4020, arguing that the Department already contributes to the cost of nurse recruitment with the per diem amount VA pays states for the care of veterans in State homes, and that the legislation would reduce available medical care funds for other programs. VA generally accepted the provisions of H.R. 4231, but opposed Section 4 of the bill to provide that a registered nurse applying for a VA appointment may not be denied appointment solely because the nurse applicant does not have a baccalaureate degree. Deputy Secretary Mansfield expressed VA's belief that the provision was unnecessary because it is not VA's policy to deny appointment based on the lack of baccalaureate degree.

However, Dr. Andrea Mengel, representing community colleges, testified in support of H.R. 4231, asking: "With hundreds of choices of workplace opportunities, why would new RN graduates from associate degree programs choose to work at the VHA where the hir-

ing and promotion policy will hold them back? Community colleges across the Nation report that their graduates are not choosing the VHA." Also, Dr. Linda S. Schwartz, Commissioner of the Connecticut Department of Veterans Affairs, stated ". . . I would just ask the rhetorical question, which is better, no nurse or a nurse from an associate degree program? And to me the answer is a nurse from an associate degree program. . . ." Ms. Marsha Four, Chair of VA Advisory Committee on Women Veterans, testified in strong support of H.R. 3849, and Mr. Robert Van Keuren, Chair of the VA Advisory Committee on Homeless Veterans testified in strong support of H.R. 4248.

All of the veterans service organizations testified in support of H.R. 3849 and H.R. 4248 and generally supported H.R. 4020 and H.R. 4231. However, Ms. Wiblemo, on behalf of The American Legion, expressed concern that Congress should appropriate sufficient funding to allow VA to carry out the intent of H.R. 4020 and did not take a position on Section 4 of H.R. 4231. All of the veterans service organizations raised questions about the draft bill to reform the qualifications and selection requirements for the position of the Under Secretary for Health.

Subcommittee Markup of H.R. 4231 and H.R. 4248

On May 13, 2004, the Subcommittee met and marked up two bills: H.R. 4231, with an amendment; and H.R. 4248, with an amendment. Both bills were reported favorably to the full Committee (see Full Committee Markup, p. 34).

Hearing on Draft Legislation Pertaining to Major Medical Facility Leases and Capital Asset Management within VA

On June 24, 2004, the Subcommittee on Health held a hearing to consider a draft bill to authorize 17 VA major medical facility leases, establish a new procedure for transferring excess VA properties and a new fund into which proceeds from such transfers would be deposited, and for other purposes.

Witnesses included Honorable Anthony J. Principi, Secretary of Veterans Affairs, who was accompanied by Honorable Tim S. McClain, General Counsel, Honorable William H. Campbell, Assistant Secretary for Management, Mrs. Laura Miller, Deputy Under Secretary for Health for Operations and Management, and Mr. James M. Sullivan, Deputy Director, Office of Asset Enterprise; Mr. Lawrence A. Biro, Network Director, VA Veterans Integrated Service Network 19: Rocky Mountain Network; Honorable Everett Alvarez, Jr., Former Chairman, Capital Asset Realignment for Enhanced Services (CARES) Commission; Mr. Dennis Brimhall, President and Chief Executive Officer, University of Colorado Hospital; Mr. John L. Nau, III, Chairman, Advisory Council on Historic Preservation; Mr. Dennis Samic, Treasurer, American Veterans Heritage Center, Inc.; Mr. Richard Jones, National Legislative Director, AMVETS; Mr. John F. Sommer, Jr., Executive Director, The American Legion; Mr. Robert Wallace, Executive Director, Veterans of Foreign Wars; Mr. Thomas H. Corey, President, Vietnam Veterans of America; Ms. Joy J. Ilem, Assistant National Legislative Director, Disabled American Veterans; and Mr. Richard Fuller, National Legislative Director, Paralyzed Veterans of America. Mr. Richard

Moe, President, National Trust for Historic Preservation, submitted a statement for the record.

The draft bill was subsequently introduced as H.R. 4768, the Veterans Medical Facilities Management Act of 2004, by Honorable Rob Simmons of Connecticut on July 7, 2004.

Secretary Principi testified in support of the draft legislation and discussed VA's CARES plan, to improve both access and quality for veterans' medical care. Mr. Nau and Mr. Samic testified in support of giving VA authorization to use the proceeds from the transfer of real property for maintenance and adaptive re-use of historic properties, but expressed concern that the legislation lacked established priorities to ensure that some of the funds would be used for historic preservation. All of the veterans service organizations endorsed the establishment of a Capital Asset Fund and the CARES concept, but cautioned that the proper oversight would be needed to make certain that VA would use the authority appropriately.

Subcommittee Markup of H.R. 4768

On July 8, 2004, the Subcommittee on Health met and marked up H.R. 4768, the Veterans Medical Facilities Management Act of 2004. The bill was reported favorably to the full Committee (see Full Committee Markup, p. 34).

OVERSIGHT ACTIVITIES

First Session

Staff Site Visit to VA's Conference on Home as the Site of Care, St. Petersburg, Florida

On February 5, 2003, a majority staff member of the Subcommittee on Health attended VA's Conference on Home as the Site of Care. The purpose of the conference was to advance the use of telemedicine in the VA in the areas of long-term care; chronic disease management; and mental health.

Under Secretary Robert Roswell stated VA's strategic plan for long-term care was to triple the number of veterans receiving home and community based care by 2006. Also, at the Conference it was announced that a new Office of Care Coordination would be established at VA's Central Office in Washington, DC.

Hearing on the Availability and Eligibility for Pharmaceutical Services Provided by VA

On March 19, 2003, the Subcommittee on Health held an oversight hearing to examine new proposals for a veterans' prescription drug benefit to improve access and shorten waiting times for veterans enrolled in the VA health care system. The following bills related to this subject were discussed during the hearing: H.R. 709, the Veterans Prescription Access Improvement Act, introduced by Honorable Roger F. Wicker of Mississippi on February 11, 2003; H.R. 372, to authorize pharmacies of the Department of Veterans Affairs to fill prescriptions for drugs and medicines written by private physicians, introduced by Honorable Stephen F. Lynch of Massachusetts on January 27, 2003; H.R. 240, the Veterans Prescription Drug Equity Act, introduced by Honorable John L. Mica of Florida on January 8, 2003; and a draft bill, the Veterans Prescription Drug Benefits Act of 2003.

Hearing witnesses included: Honorable Lane Evans of Illinois and Ranking Democratic Member, Committee on Veterans Affairs; Honorable Stephen F. Lynch of Massachusetts; Honorable John L. Mica of Florida; Honorable Roger F. Wicker of Mississippi; and Honorable Anthony J. Principi, Secretary of Veterans Affairs. Honorable Nancy L. Johnson of Connecticut submitted testimony for the record.

Under current law, VA does not offer prescription drugs as a direct benefit, but rather as a part of its overall health care benefits package to enrolled veterans. Current VA policy requires veterans to be evaluated first by a VA health care provider before a medication may be dispensed. According to VA, these policies and practices for providing prescription drugs to enrolled veterans are necessary for patient safety and quality care. The VA Office of Inspector General questioned these restrictions in a report, *Audit of Veterans Health Administration (VHA) Pharmacy Co-Payment Levels and Restrictions on Filling Privately Written Prescriptions for Priority Group 7 Veterans,* OIG Report Number 99–00057–4, December 20, 2000.

The Committee examined the decision issued by Secretary Principi on January 17, 2003, ending enrollment of new Priority 8 veterans for the remainder of fiscal year 2003. The Secretary explained his decision to restrict Priority 8 veterans from enrolling as a consequence of a budget shortfall, the pressures of greater demand for VA health care from higher-income veterans and the lack of a meaningful drug benefit for many senior citizens.

Secretary Principi testified that the Department would work closely with the Committee to find a solution to the problem of waiting lists and offered a limited program under which VA would fill prescriptions written for veterans by non-VA physicians. Under this limited program, enrollees could have prescriptions filled if they were unable to obtain timely services from VA. On July 24, 2003, subsequent to this hearing, VA announced a short-term policy to allow certain veterans to receive a transitional pharmacy benefit.

Hearing on the Status of the Implementation of Public Law 107–287, the Department of Veterans Affairs Emergency Preparedness Act of 2002; and Deployment Health Care for Veterans

On March 27, 2003, the Subcommittee on Health held a hearing to review the status of VA and DOD readiness roles to meet the challenges presented by bioterrorism, weapons of mass destruction, combat injuries and combat-related illnesses. VA's requirement to provide DOD with wartime casualty back-up and post-deployment health care services was also a topic.

Witnesses who testified at this hearing included: Honorable Robert H. Roswell, Under Secretary for Health, VA, accompanied by Susan Mather MD, M.P.H., Chief Officer, Public Health and Environmental Hazards; Honorable William Winkenwerder Jr. MD, M.B.A., Assistant Secretary of Defense for Health Affairs, DOD, accompanied by Michael E. Kilpatrick M.D., Deputy Director, Deployment Health Support Directorate Office of the Deputy Assistant Secretary of Defense for Force Health Protection and Readiness;

John D. Shanley, MD, Director Division of Infectious Disease, University of Connecticut Health Center, Connecticut State Chair in Infectious Disease; Laurence A. Feldman, Ph.D., Vice President, University of Medicine and Dentistry of New Jersey; Harold J. Timboe, MD, M.P.H., Director, Center for Public Health and Biomedical Research, University of Texas Health Science Center at San Antonio; and Thomas E. Turndrup, MD, F.A.C.E.P., Director, Center for Disease Preparedness, Department of Emergency Medicine, University of Alabama at Birmingham.

Also, the Subcommittee received testimony from Mr. Peter S. Gaytan, Principal Deputy Director Veterans Affairs and Rehabilitation Commission, The American Legion; Mr. Adrian M. Atizado, Associate National Legislative Director, Disabled American Veterans; Mr. Carl Blake, Associate Legislative Director, Paralyzed Veterans of America; Mr. Richard Weidman, Director of Government Relations, Vietnam Veterans of America; and Mr. Dennis Cullinan, Director of National Legislative Service, Veterans of Foreign Wars; and Mr. Richard Jones, National Legislative Director, AMVETS, submitted a statement for the record.

Dr. William Winkenwerder testified that military personnel are trained and equipped to operate in a contaminated environment and to deploy medical capabilities to evacuate and treat casualties. The Subcommittee heard testimony about pre- and post-deployment health screening, and the continuum of medical services from active duty through transition to veteran status.

Dr. Robert Roswell testified on matters relating to medical recordkeeping and environmental surveillance. Both Dr. Winkenwerder and Dr. Roswell testified that there is a need for VA and DOD to work together to ensure proper health and troop-movement records are kept and shared for departing service-members. They both supported the establishment of the four Medical Emergency Preparedness Centers authorized by Public Law 107–287, the Department of Veterans Affairs Emergency Preparedness Act of 2002. This law established authority for four geographically dispersed National Medical Emergency Preparedness Centers under VA jurisdiction. The law was intended to ensure that VA programs include expertise in the care of injuries and illnesses from exposures to the hazards of combat. The war on terrorism includes possible enemy uses of biological, chemical, incendiary and nuclear weapons. The enacted authority for these centers is consistent with VA's "fourth mission," to provide health care and contingency support to DOD in times of war and national emergencies.

Veterans' service organizations that testified unanimously agreed on the need to fund and operate the centers. Witnesses representing academic institutions from New Jersey, Alabama, and Texas, specializing in biomedical research and medicine each concurred that funding the Medical Emergency Preparedness Centers was critical.

Hearing on Medical and Prosthetic Research Programs in VA

On Thursday, April 10, 2003, the Health Subcommittee held a hearing to assess the status of medical and prosthetic research programs in VA.

Witnesses appearing before the Subcommittee included Honorable James R. Langevin of Rhode Island; Nelda P. Wray, MD, MPH, Chief Research and Development Officer, Office of Research and Development, Veterans Health Administration (VHA), accompanied by Mindy Aisen, MD, Director, Rehabilitation Research and Development; John G. Demakis, MD, Director, Health Services Research and Development; and Fred S. Wright, MD, Associate Chief of Staff for Research, VA Connecticut Healthcare System; Eileen Lennon, Ph.D., Chairman, National Association of Veterans' Research and Education Foundations (NAVREF), accompanied by Ms. Barbara West, Executive Director; Ira R. Katz, MD, Ph.D., Professor of Psychiatry, Director, Section on Geriatric Psychiatry, University of Pennsylvania Health System; and Kevin C. Dellsperger, MD, Ph.D., Chief of Staff, Associate Dean for Veterans Affairs, Iowa City VA Medical Center. Mr. Christopher Reeve, Christopher Reeve Paralysis Foundation, submitted a letter of support for the record.

According to VA witnesses, the Department conducts most of its medical and prosthetic research programs as a complement to affiliations with medical and health professions schools and colleges nationwide. While VA research focuses primarily on the special needs of veterans, it benefits all Americans. VA's current areas of emphasis include research into aging, chronic diseases, mental illnesses, substance-use disorders, sensory losses, trauma-related illnesses, rehabilitation, and health systems and services improvement.

Representative Langevin testified how VA research in the area of spinal cord injuries is transferring to the larger community in the area of cardiovascular technologies to help improve muscle tone through electrode research. He also noted VA's record in rehabilitation and employment services for disabled veterans.

The Subcommittee received testimony from Dr. Katz on the added value of the eight Mental Illness Research Education and Clinical Centers (MIRECCs) to their host Networks and the VA system as a whole. Also, the NAVREF witnesses presented testimony about their ongoing programs and initiatives, responded to oversight issues and provided legislative and policy recommendations for consideration by the Subcommittee.

Staff Site Visit to VA Connecticut Health Care System

On April 14, 2003, majority staff members of the Subcommittee on Health made a site visit to the VA Connecticut Health Care System facilities at West Haven, New London, and Newington. Additionally, staff attended and participated in a fact-finding meeting at the VA Medical Center (VAMC) in West Haven, organized by The American Legion for National Commander Ron Conley. Attendance included representatives from all major veterans service organizations in Connecticut, and senior staff from the West Haven VAMC.

Staff Site Visit to VA New England Health Care System

On April 23, 2003, majority staff members of the Subcommittee on Health made a site visit to the VA New England Health Care System facilities in Jamaica Plain, West Roxbury, and Bedford, MA; Portsmouth, NH; and Augusta, ME. The purpose of the visit

was to observe the status of the consolidation of the West Roxbury and Jamaica Plain facilities, activities of the Geriatric Research Education and Clinical Center in Bedford; and the Portsmouth, New Hampshire community-based outpatient clinic, which is situated at Pease Air Force Base. This facility is unique in that the VA staff shares this space with operations units of the New Hampshire National Guard.

The staff visited the Togus VAMC in Augusta, Maine, and toured its National Cemetery. Two themes raised during visits to all the major facilities were patient waiting times and unmet construction needs.

Hearing on Long-Term Care Programs in VA

On Thursday, May 22, 2003, the Subcommittee on Health held an oversight hearing to examine existing VHA long-term care programs and expenditures and assess VHA's strategy for addressing future long-term care needs of aging and disabled veterans.

Testifying were: Honorable Robert H. Roswell, M.D., Under Secretary for Health, VA, accompanied by James F. Burris, M.D., Chief Consultant for Geriatric and Extended Care; and Ms. Cynthia A. Bascetta, Director, Veterans' Health and Benefits Issues, U.S. General Accounting Office (GAO), accompanied by Mr. Jim Musselwhite, Assistant Director, Health Care.

Testifying on behalf of the veterans service organizations were Mr. Peter S. Gaytan, Principal Deputy Director, The American Legion; Mr. Thomas H. Miller, Executive Director, Blinded Veterans of America; Ms. Joy J. Ilem, Assistant National Legislative Director, Disabled American Veterans; Mr. Richard B. Fuller, National Legislative Director, Paralyzed Veterans of America; and Mr. Paul A. Hayden, National Legislative Service, Veterans of Foreign Wars.

The veterans service organizations representatives submitted testimony for the record. Additionally, Mr. Stephen McConnell, Vice President, Advocacy & Public Policy, Alzheimer's Association; Mr. Richard Weidman, Director, Government Relations, Vietnam Veterans of America; and Mr. Jeremy Chwat, Director of Legislation, Eastern Paralyzed Veterans Association, submitted statements for the record.

GAO presented testimony based on a report released at the hearing entitled *VA LONG-TERM CARE: Service Gaps and Facility Restrictions Limit Veterans' Access to Noninstitutional Care,* GAO–03–815T, May 22, 2003. The GAO study revealed that VA's lack of emphasis on increasing access to noninstitutional long-term care services continues to contribute to service gaps, and that individual facility restrictions and practices inconsistent with Congressional intent serve to further limit access to VA long-term care.

Staff Site Visit to University of Colorado Fitzsimons Campus and Denver VA Medical Center

On May 28, 2003, Committee staff of the Subcommittees on Health and Oversight and Investigations accompanied Honorable Bob Beauprez of Colorado to meet with representatives of VA, the United States Air Force, veterans organizations, the University of Colorado Hospital and Health Sciences Center, and the State of Colorado to explore the feasibility of sharing facilities and re-

sources between VA, DOD, and the University on the Fitzsimons Campus.

The staff also visited the VA Health Administration Center and met with Colorado State Representative John Witwer, and Colorado State Senator Bill Owen, to discuss the status of financing the University's plans at Fitzsimons. The staff also reviewed the CHAMPVA operations at the VA Health Administration Center. (CHAMPVA is a health care benefits program for the spouse or survivor and for the children of a veteran who meets specific eligibility criteria.)

Staff Oversight of Capital Asset Realignment for Enhanced Services (CARES) Briefings and CARES Commission Hearings

Throughout the 108th Congress, Committee staff attended briefings by various officials of VA and its Capital Asset Realignment for Enhanced Services (CARES) Commission, as well as public hearings of the CARES Commission, all of which focused on progressing phases of the CARES process. CARES was a VA-initiated review of plans to realign its infrastructure to (a) enhance access to services over the next 20 years and (b) redirect the cost of maintaining obsolete facilities to providing additional care to veterans.

On August 11–12, 2003, Health Subcommittee staff attended the CARES Commission hearing in Baltimore, MD. On August 18–19, 2003, Subcommittee staff reviewed the CARES National Draft Plan for the consolidation of Wade Park and Brecksville campuses in Cleveland, toured the facilities, met with key personnel and attended the CARES Commission hearing in Columbus, OH. Other staff visits and CARES Commission hearings included: Exton and Pittsburgh, PA hearings on August 26–28, 2003, and an Orlando, FL hearing on September 10–11, 2003; CARES Commission discussions about the results of its site visits, hearings and written comments received from stakeholders and the public in Washington, DC, on October 14–16, 2003; and follow-up sessions of the CARES Commission on November 19–21, 2003, in Washington, DC.

Staff Site Visit to Salina and Clay Center, Kansas

On September 14, 2003, a majority staff member visited the VA Outpatient Clinic in Salina, KS, and provided staff assistance to Honorable Jerry Moran of Kansas at a veterans health care forum in Clay Center, KS. Attendees included Mr. Tom Sanders, Director of Wichita Veterans Affairs Medical and Regional Office Center; Mr. Robert Malone, Director of Leavenworth and Topeka Veterans Affairs Medical Center; The American Legion and Post Commanders from ten Kansas counties; and State officers of the major veterans service organizations.

Hearing on VA Physician and Dentist Compensation Issues

On October 21, 2003, the Subcommittee on Health held a hearing on VA physician and dentist compensation issues, including reforms being sought for the current pay system and consideration of a draft bill proposed by the Secretary in a letter to the Speaker of the House, dated July 18, 2003.

Witnesses testifying at the hearing were Honorable Robert H. Roswell, MD, Under Secretary for Health, VA, accompanied by Ms.

Mari A. Horak, Associate Chief Patient Care Services Officer, Veterans Health Administration; Thomas Joseph Lawley, MD, Dean, Emory University School of Medicine, representing the Association of American Medical Colleges; Lactancio D. Fernandes, MD, F.C.C.P., President Local 1045, American Federation of Government Employees; Stephen Rosenthal, MD, President, National Association of VA Physicians and Dentists; Jacqueline Parthemore, MD, F.A.C.P., Chief of Staff and Medical Director, VA San Diego Health Care System; Richard Bauer, MD, Chief of Staff, South Texas Veterans Health Care System; Ms. Sheila M. Cullen, Medical Director, San Francisco VA Medical Center; Michael H. Ebert, MD, Chief of Staff, VA Connecticut Health Care System; Mr. Michael M. Lawson, Director, VA Boston Health Care System; Michael S. Simberkoff, MD, Executive Chief of Staff, VA New York Harbor Health Care System.

In addition, the following individuals submitted statements for the record: Mr. James B. King, Executive Director, AMVETS; Mr. Delatorro L. McNeal, Executive Director, Paralyzed Veterans of America; Mr. Robert Wallace, Executive Director, Veterans of Foreign Wars; and Mr. Thomas H. Corey, President, Vietnam Veterans of America.

At the hearing, the Subcommittee learned of the problems VA is facing with increased demand for VA health care, nearly 1,000 vacant physician and dentist positions and an outdated pay system. The problems and the need for pay reform were addressed at a national level by Under Secretary Roswell, and anecdotally by the medical executives from various VA medical centers and professional organizations.

Second Session

Staff Site Visit to East Orange Campus of the VA New Jersey Health Care System

On January 15, 2004, majority staff members visited the East Orange, NJ VA Medical Center. The purpose of the visit was to discuss maintenance or improvement the medical center's physical plant, which houses the only VA tertiary care health care facility in New Jersey.

East Orange is a medical and surgical tertiary care facility. While some areas of the hospital have been modernized, the age and design of the facility would make renovation expensive. However, a clinical addition could address a number of the problems noted during this visit. VA officials were encouraged to consider modernization of the East Orange facility to make it comparable to other VA facilities with similar missions.

Staff Site Visit to Explore the Feasibility of a Joint Venture with the Ralph H. Johnson VA Medical Center (VAMC), the Medical University of South Carolina and the Naval Hospital Charleston

On Monday, February 23, 2004, a majority staff member accompanied Honorable Henry E. Brown, Jr., Chairman of the Benefits Subcommittee to a meeting he requested in Charleston, South Carolina, to explore the feasibility of the Charleston VA Medical Center (VAMC) sharing facilities and resources with Medical Uni-

versity of South Carolina, in consultation with the Naval Hospital Charleston.

Attending the meeting were: Mr. William Mountcastle, Director of the Charleston VAMC and Ms. Linda Watson; Medical University of South Carolina representatives included: Dr. Jack Feussner, Chairman of the Department of Medicine, Dr. John Raymond, Vice President for Academic Affairs and Dr. Jerry Reeves, Dean of the College of Medicine (Mr. Layton McCurdy, a member of the CARES Commission); DOD: Captain Greg Hall, the Executive Officer of the Naval Hospital Charleston. The discussions revealed that the Medical University of South Carolina is proceeding with plans for a major redevelopment of the site for its own purposes, but it remained to be determined if VA would have a role.

Hearing on the Status of VA Post-Traumatic Stress Disorder (PTSD) Programs

On March 11, 2004, the Subcommittee on Health held a hearing on the status of VA post-traumatic stress disorder (PTSD) programs for veterans and on the role of chaplains in providing pastoral care for veterans with mental health problems.

The witnesses who testified at the hearing included: Honorable Robert H. Roswell, MD, Under Secretary for Health, VA, accompanied by Alfonso R. Batres, Ph.D., MSW, Chief Officer, Readjustment Counseling Service, and Laurent S. Lehmann, MD, Chief Consultant, Mental Health Strategic Health Care Group; Thomas Horvath, MD, Chief of Staff, Michael E. DeBakey Veterans Affairs Medical Center; Terence Keane, Ph.D., Director, Behavioral Science Division, National Center for PTSD; Harold Kudler, MD, Co-Chair, Under Secretary for Health's Special Committee on PTSD, Durham VA Medical Center; Chaplain Robert W. Mikol, Clinical Chaplain, Lyons Campus of the VA New Jersey Health Care System; and Father Philip G. Salois, Veterans Integrated Service Network 1, Chaplain Program Manager, VA Boston Health Care System; Lieutenant Colonel Kenneth Brown, Chaplain, United States Army; Lieutenant Charles E. Hodges, Chaplain Corps, United States Naval Reserve; Commander Mark Andrew Jumper, Staff Chaplain, United States Coast Guard Academy; and Sally Satel, MD, Resident Scholar, The American Enterprise Institute.

Submitting statements for the record were: Matthew J. Friedman, MD, Ph.D., Executive Director, National Center for PTSD; Mr. Richard Jones, National Legislative Director, AMVETS; Mr. David Gorman, Executive Director, Disabled American Veterans; Mr. Delatorro L. McNeal, Executive Director, Paralyzed Veterans of America; Mr. Robert Wallace, Executive Director, Veterans of Foreign Wars; and Mr. Thomas H. Corey, President, Vietnam Veterans of America.

VA witnesses testified that PTSD is a mental health disorder that may occur from exposure to a traumatic event involving the threat of imminent death or injury. In the military, it is the most prevalent mental disorder arising from combat, peacekeeping and humanitarian missions, and acts of terrorism.

The witness panels indicated that the toll of PTSD on the individual often results in many problems including unemployment, family violence, broken marriages, substance abuse, homelessness

and incarceration. The Veterans Benefits Administration reported 214,546 unique veterans with a PTSD diagnostic code as of December 2003. Of that total, 200,146 were in receipt of VA compensation and 14,400 were in receipt of pension.

One expert witness, Dr. Sally Satel, cautioned that as we try to help the soldiers of Operation Iraqi Freedom meld back into society, it would be a mistake to rely too heavily on the conventional wisdom about Vietnam. Dr. Satel's testimony acknowledged that some soldiers will return from Iraq and Afghanistan with severe psychological problems and require appropriate care. She also pointed out that receiving disability payments can provide an economic incentive to maintain dysfunction and could be the route to further disability and isolation, when a return to work might offer the best therapy.

The Subcommittee also heard personal accounts from a panel of chaplains, who provide pastoral care to veterans and active duty members, helping them to deal with the stress and psychological trauma that may result from combat. Chaplains serve as key members of treatment teams in VA health care delivery programs. In the military services, chaplains serve on the front lines and are often first responders in order to provide pastoral care.

Hearing on VA Providing Certain Veterans with A Prescription-Only Health Care Benefit

On March 30, 2004, the Subcommittee on Health held a hearing on VA providing certain veterans with a prescription-only health care benefit. The Subcommittee received testimony on the results of VA's survey of veterans concerning a potential prescription-only health benefit and a status report on the implementation of VA's "transitional pharmacy benefit" announced on July 24, 2003.

Witnesses included: Jonathan Perlin, MD, Deputy Under Secretary for Health, VA, accompanied by Mr. Michael A. Valentino, Chief Consultant, Pharmacy Benefits Management, and Ms. Barbara Manning, Veterans Health Administration Policy and Forecasting Service; Cornelio R. Hong, MD, F.A.C.P., Norwich Internal Medicine; Mr. Edward S. Banas, Sr., National Commander, Veterans of Foreign Wars; Mr. Rick Weidman, Director, Government Relations, Vietnam Veterans of America; Mr. Carl Blake, Associate Legislative Director, Paralyzed Veterans of America; Ms. Joy J. Ilem, Assistant National Legislative Director, Disabled American Veterans; Mr. Peter S. Gaytan, Principal Deputy Director Veterans Affairs and Rehabilitation Division, The American Legion; Jr.; Mr. Richard Jones, National Legislative Director, AMVETS. Submitting for the Record: Mr. John Gage, National President, American Federation of Government Employees.

Public Law 108–199, the Consolidated Appropriations Act, 2004, authorized VA to dispense prescription drugs to enrolled veterans with privately written prescriptions based on requirements established by the Secretary, provided the implementation of the program incurs no additional cost to VA. The Conference Report accompanying the law, House Report 108–401, further directed the Secretary to collect and independently verify data on the costs and benefits of this new drug benefit and submit a report to the Committee on Appropriations by March 2, 2004, detailing the number

of veterans who would utilize such benefit, as well as costs or savings to the VA. As directed by Congress, VA conducted a survey to assess the potential demand and cost of a prescription-only health care benefit. The survey was completed in February 2004. VA testified at this hearing on its results.

The Subcommittee received testimony about providing veterans with a new cost-neutral prescription drug benefit that would provide medications to veterans at cost with a marginal administrative markup in price. The cost to the government would be offset by veterans, who would benefit from VA's large scale purchasing power by paying VA costs for medications rather than drug store prices. The VFW Pharmacy Fairness Act, a draft bill presented by the Commander in Chief of the Veterans of Foreign Wars, Mr. Edward S. Banas, Sr., was another approach discussed at the hearing. This bill proposed to ease waiting times, reduce redundancy and improve access to veterans with a change in VA's outpatient prescription benefit by requiring VA to fill prescriptions written by licensed, non-VA physicians for Medicare-eligible veterans.

Field Hearing on the Status of Military and VA Health Care Coordination, including Post-Deployment Health Care of Recently Discharged Veterans

On April 13, 2004, the Subcommittee on Health held a field hearing in San Antonio, Texas. The hearing focused on the status of coordinating efforts between the military and VA health care, including the post-deployment health care of recently discharged veterans.

Witnesses at the hearing included: Mr. Jose R. Coronado, Director, VA South Texas Veterans Health Care System, accompanied by Richard Bauer, MD, Chief of Staff of the VA South Texas Veterans Health Care System; Ms. Janeth Del Toro, NP, VA South Texas Veterans Health Care System; Raul Aguilar, MD, Chief Medical Officer, McAllen Outpatient Clinic, VA South Texas Veterans Health Care System; Brigadier General C. William Fox, Jr., Commander, Brooke Army Medical Center, accompanied by Colonel Bernard L. DeKoning, Commander, Darnall Army Community Hospital, Fort Hood, TX; Lieutenant Colonel Lee Cancio, M.D., Chief, Burn Center, Brooke Army Medical Center; Brigadier General Charles B. Green, Commander, 59th Medical Wing, Wilford Hall Medical Center, Lackland AFB, TX, and Lead Agent, TRICARE Region 6; Lieutenant Colonel Brian J. Masterson, MD, Chief Information Officer, Wilford Hall Medical Center, Lackland AFB, Texas; Stephen L. Holliday, Ph.D., ABPP, President, Association of VA Psychologist Leaders; Mr. Ignacio Leija, American GI Forum, National Veterans Outreach Program; Mr. Douglas Herrle, Disabled American Veterans, accompanied by Mr. William Morin; and Mr. Richard Holloway, The American Legion.

According to witnesses, the large concentration of military and VA health resources in the area afford San Antonio a promising setting for coordination between DOD and VA. The delivery of post-deployment health care to veterans was discussed at this hearing.

Among four medical facilities in the San Antonio area (the Audie L. Murphy Memorial Veterans Hospital, the Kerrville VA Medical Center, and their associated community clinics), almost 1,200 cas-

ualties of the global war on terrorism had been treated as of the date of the hearing. One such casualty, Staff Sergeant Canady, accompanied the Commander of Brooke Army Medical Center, Brigadier General C. William Fox, Jr., to give a first-hand account about the services that have been coordinated and rendered between DOD and VA on his behalf.

Site Visit to Northern Arizona Health Care System

On April 16, 2004, majority staff members visited the Prescott VA Medical Center and attended the ceremony to name the facility in honor of the late Bob Stump, who served as Chairman of the Veterans' Affairs Committee from 1995–2000. The Secretary of Veterans Affairs, Honorable Anthony J. Principi, spoke at the dedication ceremony, among other officials and guests.

Staff Participation in a VA-DOD Conference on the Sharing of Medical Resources: VA and DOD Explore New Partnerships, New Orleans, LA

On April 21, 2004, Committee staff participated in a panel discussion entitled "Lessons Learned." Other conference participants included VA, DOD, OMB and GAO staff. The purpose of the conference was to provide a forum for discussion of the status of VA-DOD health resources sharing under Public Law 97–174, Veterans' Administration and Department of Defense Health Resources Sharing and Emergency Operations Act. Staff members offered their perspectives on changes made to that basic mandate by Public Law 107–314, the Bob Stump National Defense Authorization Act for Fiscal Year 2003, and discussed Congressional expectations for further progress.

Staff Site Visit to the VA Outpatient Clinics in Twin Ports and Chippewa Falls, Wisconsin and the Minneapolis VA Medical Center

On May 26, 2004, a majority staff member, along with staff from Honorable Russell D. Feingold of Wisconsin's Wausau district office and Honorable David R. Obey of Wisconsin's Superior district office, participated with the Minneapolis VA Medical Center director and several other staff in a site visit to the Twin Ports, (Superior) WI outpatient clinic.

The itinerary also included a site visit to the Chippewa Falls outpatient clinic and meetings with the Deputy Director of Veterans Integrated Service Network 23, VA Midwest Health Care Network; and Mr. Jimmie L. Coulthard, President of the Veterans Outreach for the Minnesota Assistance Council for Veterans, and the private sector initiator of several enhanced-use leases with VA to build housing projects for homeless veterans in Minneapolis and St. Cloud, Minnesota.

Field Hearing on Optimizing Facilities and Improving Health Care and Benefit Services to Veterans in the State of Connecticut

On June 7, 2004, the Subcommittee on Health conducted a field hearing at the VA Connecticut Healthcare System, Newington Campus, in Newington, CT. The purpose of the hearing was to examine VA health care and other benefits provided to Connecticut veterans.

The following witnesses testified before the hearing: Jeannette Chirico-Post, MD, Network Director, VA New England Healthcare System; Mr. Roger Johnson, Director, VA Connecticut Veterans Healthcare System; Mr. Ricardo Randle, Director, VA Regional Office, Hartford, CT; Fred Wright, MD, Associate Chief of Staff for Research, VA Connecticut Veterans Healthcare System; Karin T. Thompson, APRN, BC, President AFGE Professional Nurses Union, Local 2138; Colonel William Sobota, Director of Manpower and Personnel (JI), Connecticut Army National Guard; Captain J. A. Bashford, Deputy Naval Health Care New England, Naval Ambulatory Care Center; Mr. Rick Sapp, VA Legal Instruments Examiner, Fort Drum, New York; Mrs. Michelle Will, Enrollment Coordinator, VA Connecticut Healthcare System; Mr. Edmund J. Burke, Secretary/Treasurer, Connecticut Veterans Coalition Forum; Mr. Paul J. Pobuda, Department Service Officer, The American Legion Department of Connecticut, Mr. Donald Johnson, National Service Officer, AMVETS Department of Connecticut; Mr. Allen Gumpenberger, National Service Officer Disabled American Veterans Department of Connecticut; Mr. Glen Tewksbury, Department Service Officer Veterans of Foreign Wars Department of Connecticut. Dr. Linda Spoonster Schwartz, R.N., Dr.PH, Commissioner, Connecticut Department of Veterans Affairs also testified at the hearing.

Honorable Ciro Rodriguez, Ranking Member of the Subcommittee, Honorable Christopher Shays of Connecticut and Mr. Eliott Ginsberg, representing Honorable John Larson of Connecticut, joined Honorable Rob Simmons, Chairman of the Subcommittee, at this hearing.

The hearing focused on the "Connecticut Model" of delivering VA health care and benefit services. Witnesses testified about the developing relationships among VA, the Connecticut Department of Veterans Affairs, local military facilities and State veterans organizations, the importance of working together, and sharing facilities and resources to benefit Connecticut veterans. The collocation of the VA Regional Office in Hartford to the Newington campus and the collaboration between VA Connecticut and the Rocky Hill State Veterans' Home were also discussed at the hearing.

Staff Site Visit to the Grand Opening of the Community Hope Transitional Housing Program at the Lyons Campus of the VA New Jersey Health Care System

On December 3, 2004, Community Hope, Inc., a private non-profit organization celebrated the grand opening of its Hope for Veterans, the largest and most comprehensive transitional housing and recovery program for homeless veterans in New Jersey. This 75–bed facility is located in a newly renovated, once-vacant Building 53 on the Lyons campus of the VA New Jersey Health Care System. A majority staff member participated in the opening ceremonies, along with more than 100 attendees, including Honorable Rodney P. Frelinghuysen of New Jersey; Federal, state and county officials; financial supporters of the project and various veterans' organizations.

SUBCOMMITTEE ON BENEFITS

The Subcommittee on Benefits has legislative, oversight and investigative jurisdiction over compensation, general and special pensions of all the wars of the United States, life insurance issued by the Government on account of service in the Armed Forces, cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior, burial benefits, education of veterans, vocational rehabilitation, veterans' housing programs, readjustment of servicemen to civilian life, and soldiers' and sailors' civil relief (see Oversight Plan for 108th Congress, p. 91).

LEGISLATIVE ACTIVITIES

First Session

Hearing on H.R. 241, H.R. 533, H.R. 761, H.R. 850, H.R. 966, and H.R. 1048

On April 10, 2003, the Subcommittee held a legislative hearing on the following bills: H.R. 241, the Veterans Beneficiary Fairness Act of 2003, introduced by Honorable Christopher H. Smith of New Jersey on January 8, 2003; H.R. 533, the Agent Orange Veterans' Disabled Children's Benefits Act of 2003, introduced by Honorable Lane Evans of Illinois on February 5, 2003; H.R. 761, the Disabled Servicemembers Adapted Housing Assistance Act of 2003, introduced by Honorable Lane Evans of Illinois on February 13, 2003; H.R. 850, the Former Prisoners of War Special Compensation Act of 2003, introduced by Honorable Michael K. Simpson of Idaho on February 13, 2003; H.R. 966, the Disabled Veterans Return-to-Work Act of 2003, introduced by Honorable Henry E. Brown, Jr., of South Carolina on February 27, 2003; and H.R. 1048, the Disabled Veterans Adaptive Benefits Improvement Act of 2003, introduced by Honorable Henry E. Brown, Jr., of South Carolina on March 4, 2003.

Witnesses included Honorable Michael K. Simpson; Honorable Daniel L. Cooper, Under Secretary for Benefits, Veterans Benefits Administration, accompanied by Mr. John Thompson, Deputy General Counsel, Department of Veterans Affairs, and Mr. Ron Henke, Director, Compensation and Pension Service, Veterans Benefits Administration; Mr. Peter S. Gaytan of The American Legion; Mr. Rick Surratt of the Disabled American Veterans; Mr. Paul Hayden of the Veterans of Foreign Wars; Mr. Leslie Jackson of the American Ex-Prisoners of War; and Mr. Carl Blake of the Paralyzed Veterans of America.

Representative Simpson testified in support of his bill, H.R. 850. The veterans service organization witnesses supported the legislation before the Subcommittee, except section 3 of H.R. 850, which would overturn the decision in *Allen* v. *Principi,* 268 F. 3d 1340 (Fed. Cir. 2001) by prohibiting VA from allowing secondary service-connected compensation for disabilities associated with substance abuse caused by a primary service-connected condition. This legislative proposal was included in the President's 2004 budget submission. The Administration supported H.R. 241 and H.R. 761, but

opposed or otherwise had reservations about the other bills on the agenda.

Hearing on H.R. 1460, H.R. 1712, and H.R. 1716

On April 30, 2003, the Subcommittee held a legislative hearing on the following bills: H.R. 1460, the Veterans Entrepreneurship Act of 2003, introduced by Honorable Rick Renzi of Arizona on March 27, 2003; H.R. 1712, the Veterans Federal Procurement Opportunity Act of 2003, introduced by Honorable Lane Evans of Illinois on April 10, 2003; and H.R. 1716, the Veterans Earn and Learn Act, introduced by Honorable Christopher H. Smith of New Jersey and Honorable Lane Evans of Illinois on April 10, 2003.

Witnesses included Honorable Rick Renzi; Honorable Leo S. Mackay, Jr., Ph.D., Deputy Secretary, VA, accompanied by Honorable Tim S. McClain, VA General Counsel, Mr. Scott F. Denniston, Director, Office of Small & Disadvantaged Business Utilization, Honorable William Campbell, Assistant Secretary for Management, and Mr. Robert Epley, Associate Deputy Under Secretary for Policy and Program Management, Veterans Benefits Administration; Mr. George H. Bliss, III, United Association of Plumbers and Pipefitters; Mr. William D. Stephens, National Association of State Approving Agencies; Mr. Chad Schatz, National Association of State Approving Agencies; and Ms. Ann Sullivan, Women Impacting Public Policy , Inc; Ms. Angela B. Styles, Administrator, Office of Federal Procurement Policy, Office of Management and Budget, accompanied by Mr. William D. Elmore, Associate Administrator, Office of Veterans Business Development, Small Business Administration, and Mr. Fred C. Armendariz, Associate Deputy Administrator, Government Contracting and Business Development, SBA; Major General Charles R. Henry (USA, Retired), President and CEO, National Veterans Business Development Corporation; Mr. John K. Lopez, Association for Service Disabled Veterans; Mr. Donald T. Wilson, Association of Small Business Development Centers; Mr. James R. Krempasky, Western Fire, Inc.; Mr. Robert G. Hesser, HI Tech Services, Inc; Mr. Blake Ortner, Paralyzed Veterans of America; Mr. Brian E. Lawrence, Disabled American Veterans; Mr. Peter S. Gaytan, The American Legion; and Mr. Richard Jones, AMVETS.

Representative Renzi testified in support of his bill, H.R. 1460. The veterans service organizations supported all three bills. The building and construction trades represented by Mr. Bliss and the National Association of State Approving Agencies testified on H.R. 1716, with general support for the bill. Mr. Wilson, Mr. Krempasky, Mr. Hesser, and General Henry testified in support of H.R. 1460 and H.R. 1712. The Administration witnesses testified in support of H.R. 1460 and H.R. 1716 but expressed concerns over cost implications, and opposed certain provisions contained in H.R. 1712.

Subcommittee Markup of H.R. 241, H.R. 761, H.R. 1257, H.R. 1460, H.R. 1683, and H.R. 1949

On May 7, 2003, the Subcommittee met and marked up six bills: H.R. 241; H.R. 761; H.R. 1257; H.R. 1460, with an amendment; H.R. 1683; and H.R. 1949. All six bills were reported favorably to the full Committee (see Full Committee Markup, p. 33).

Hearing on H.R. 886, H.R. 1167, H.R. 1500, H.R. 1516, H.R. 2163, H.R. 2164, H.R. 2285, and H.R. 2297

On June 11, 2003, the Subcommittee held a legislative hearing on the following bills: H.R. 886, to provide for the payment of dependency and indemnity compensation to the survivors of former prisoners of war who died on or before September 30, 1999, introduced by Honorable Tim Holden of Pennsylvania on February 23, 2003; H.R. 1167, to permit remarried surviving spouses of veterans to be eligible for burial in a national cemetery, introduced by Honorable Heather Wilson of New Mexico on March 6, 2003; H.R. 1500, the Veterans' Appraiser Choice Act, introduced by Honorable Adam Smith of Washington on March 27, 2003; H.R. 1516, to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in southeastern Pennsylvania, introduced by Honorable Jim Gerlach of Pennsylvania on March 31, 2003; H.R. 2163, to exclude the proceeds of life insurance from consideration as income for purposes of determining veterans' pension benefits, introduced by Honorable Jeb Bradley of New Hampshire on May 20, 2003; H.R. 2164, to provide for an extension in the period of eligibility for survivors' and dependents' education benefits for members of the National Guard who are involuntarily ordered to full-time National Guard duty, introduced by Honorable Jeb Bradley of New Hampshire on May 20, 2003; H.R. 2285, to require the Secretary of Labor to provide staffing at military installations overseas under the Transition Assistance Program, introduced by Honorable Michael K. Simpson on June 2, 2003; and H.R. 2297, to modify and improve certain benefits for veterans, introduced by Honorable Christopher H. Smith of New Jersey and Honorable Lane Evans of Illinois on June 2, 2003.

Witnesses included Honorable Michael K. Simpson; Honorable Tim Holden; Honorable Jeb Bradley; Honorable Jim Gerlach; Honorable Rick Larsen of Washington, on behalf of Honorable Adam Smith; Honorable Heather Wilson; Honorable John Molino, Deputy Assistant Secretary of Defense, Military, Community and Family Policy; Honorable Frederico Juarbe, Jr., Assistant Secretary for Veterans' Employment and Training Service, Department of Labor, who was accompanied by Mr. Gordon Banks, Director of Operations, Veterans' Employment and Training Service; Mr. Robert Epley, Associate Deputy Under Secretary for Policy and Program Management, Veterans Benefits Administration, who was accompanied by Mr. John Thompson, Deputy General Counsel, Department of Veterans Affairs, and Mr. Dick Wannamacher, Senior Advisor, National Cemetery Administration.

The Members of Congress testified in support of their respective bills before the subcommittee. Mr. Juarbe of the Veterans' Employment and Training Service opposed H.R. 2285 as not necessary at this time; he stated that the Department of Labor was in the process of establishing a presence at military installations. Mr. Molino of the Department of Defense deferred to the Department of Labor, but stated that a meeting was scheduled to discuss establishing a Transition Assistance presence overseas. Mr. Epley of the Veterans Benefits Administration supported the bills under consideration, except H.R. 1500 and H.R. 886. Mr. Epley testified that H.R. 1500 would inhibit the ability of the Department to maintain an inde-

pendent appraisal process, and under current law veterans have the ability to select another appraiser if they are not satisfied with the valuation performed by the VA-selected appraisal; the Administration did not support H.R. 886 because the proposal was not included in the President's 2004 budget.

Subcommittee Markup of H.R. 1516 and H.R. 2297

On June 25, 2003, the Subcommittee met and marked up two bills: H.R. 1516, with amendments; and H.R. 2297, with amendments. Each bill was reported favorably to the full Committee (see Full Committee Markup, p. 33).

Second Session

Hearing on H.R. 348, H.R. 843, H.R. 1735, H.R. 2206, H.R. 2612, H.R. 3936, H.R. 4065, H.R. 4172, H.R. 4173, and a Draft Bill

On April 29, 2004, the Subcommittee on Benefits held a hearing on H.R. 348, the Prisoner of War Benefits Act of 2004, introduced by Honorable Michael Bilirakis of Florida on January 27, 2003; H.R. 843, the Injured Veterans Benefits Eligibility Act of 2003, introduced by Honorable Silvestre Reyes of Texas on February 13, 2003; H.R. 1735, to increase the maximum VA home loan guarantee introduced by Honorable Susan A. Davis of California on April 10, 2003; H.R. 2206, the Prisoner of War/Missing in Action National Memorial Act, introduced by Honorable Ken Calvert of California on May 22, 2003; H.R. 2612, the Veterans Adapted Housing Expansion Act of 2003, introduced by Honorable Michael H. Michaud of Maine on June 26, 2003; H.R. 3936, to authorize the principal office of the United States Court of Appeals for Veterans Claims to be at any location in the Washington, DC, metropolitan area, introduced by Honorable Christopher H. Smith of New Jersey and Honorable Lane Evans of Illinois on March 11, 2004; H.R. 4065, the Veterans Housing Affordability Act of 2003, introduced by Honorable Ginny Brown-Waite of Florida on March 30, 2004; H.R. 4172, to codify certain diseases as a presumption of service-connection for veterans exposed to ionizing radiation introduced by Honorable Lane Evans of Illinois on April 20, 2004; H.R. 4173, to direct the Secretary of Veterans Affairs to contract for a report on employment placement, retention, and advancement of recently separated servicemembers, introduced by Honorable Michael H. Michaud of Maine and Honorable Henry E. Brown, Jr., on April 20, 2004; and a draft bill to create an open period for active duty servicemembers who declined to participate in the Post-Vietnam Era Veterans' Educational Assistance Program to elect to participate in the program of basic educational assistance under the Montgomery GI Bill.

Witnesses included: Honorable Kenneth B. Kramer, Chief Judge, United States Court of Appeals for Veterans Claims; Honorable Michael Bilirakis; Honorable Ken Calvert; Honorable Michael H. Michaud; Honorable Ginny Brown-Waite; Honorable Susan A. Davis; Honorable Silvestre Reyes; Mr. Robert Epley, Associate Deputy Under Secretary for Policy and Program Management, Veterans Benefits Administration, accompanied by Mr. John Thompson, Deputy General Counsel, VA; Mr. William Carr, Acting Dep-

uty Undersecretary of Defense for Military Personnel Policy, DOD; Mr. F. Paul Dallas, American Ex-Prisoners of War; Mr. Richard Jones, AMVETS; Mr. Carl Blake, Paralyzed Veterans of America; Mr. John McNeill, Veterans of Foreign Wars; Mr. Brian Lawrence, Disabled American Veterans; and Ms. Cathleen Wiblemo, The American Legion.

The Members of Congress testified in support of their respective bills. Chief Judge Kramer testified in support of H.R. 3936. Mr. Epley testified in support of many of the bills on the agenda, but opposed H.R. 843. Mr. Epley testified that while the Department of Veterans Affairs supported the concepts of H.R. 1735 and H.R. 4065, they were reserving opinion on these two bills until VA could conclude a review of the results of an independent evaluation of the VA Home Loan program. The veterans service organization representatives either supported or did not oppose the bills on the agenda.

Subcommittee Markup of H.R. 1716, H.R. 3936, H.R. 4175, and H.R. 4345

On May 13, 2004, the Subcommittee met and marked up four bills: H.R. 1716, with amendments; H.R. 3936; H.R. 4175, with amendments; and H.R. 4345 (see Full Committee Markup, p. 34).

Hearing on H.R. 4032 and a Draft Bill

On June 16, 2004, the Subcommittee held a hearing on H.R. 4032, the Veterans Fiduciary Act of 2004, introduced by Honorable Susan A. Davis of California on March 25, 2004; and a draft bill, the Veterans Self-Employment Act of 2004.

Witnesses included Mr. Jack McCoy, Director, Education Service, Veterans Benefits Administration, accompanied by Mr. Robert Epley, Associate Deputy Under Secretary for Policy and Program Management at the VA, and Mr. John Thompson, Deputy General Counsel, Department of Veterans Affairs; Mr. John H. Pickering, Former Chair, Commission on Law and Aging, American Bar Association, accompanied by Ms. Nancy Coleman, Director, Commission on Law and Aging, American Bar Association; Mr. John Gay, Vice President, Government Relations, International Franchise Association, accompanied by Mr. James Amos, Jr., Chairman Emeritus, Main Boxes Etc. and managing partner of Eagle Alliance Partners; and Beth Buehlmann, Ph.D., Vice President and Executive Director, Center for Workforce Preparation, U.S. Chamber of Commerce.

Mr. McCoy testified that VA has not experienced any significant problems carrying out the activities of the Fiduciary Program, and viewed H.R. 4032 as imposing restrictions and requirements on the program that might be too broad to warrant VA's unqualified support. Mr. McCoy opposed the draft bill because, among other things, in his view there was no record to support expanding veterans' education benefits for the cost of starting a business. Mr. Pickering supported the concepts of H.R. 4032, and Mr. Gay and Dr. Buehlmann supported the draft bill.

OVERSIGHT ACTIVITIES

First Session

Hearing on Troops-to-Teachers Program

On April 9, 2003, the Subcommittee held an oversight hearing on the Troops-to-Teachers program as administered by the Department of Defense (DOD) and funded by the Department of Education (DOE). Troops to Teachers assists program participants find employment in high-need local educational agencies or public charter schools. These schools have a poverty rate of at least 20 percent or serve at least 10,000 poor children and have a high percentage of teachers teaching outside their specialty or with emergency credentials. A high percentage of these school districts are found in inner cities. The hearing highlighted the program's successes and challenges since it began in 1994, as well as identified issues for future actions.

Witnesses included Ms. Nina Rees, Deputy Under Secretary for Innovation and Improvement, Department of Education, accompanied by Dr. John Gantz, Director, Defense Activity for Non-Traditional Educational Support, DOD; Dr. Deno Curris, President, American Association of State Colleges and Universities; Dr. Nancy Dunlap, Associate Director, School of Education, Clemson University, accompanied by Dr. Kathy Brown, Professor, The Citadel; Mr. Don Sweeney, National Association of State Approving Agencies and Troops to Teachers New England; Dr. William Harner, Superintendent, Greenville County Schools (Troops-to-Teachers graduate); and Ms. Sandra Sessoms-Penny, Assistant Principal, Yorktown, VA (Troops-to-Teachers graduate).

Ms. Nina Reese testified for the Administration that the Troops-to-Teachers program "promotes high standards by identifying and bringing these talented men and women, and their top-notch skills and abilities, into our Nation's public schools." However, Ms. Reese stated that many states have barriers that keep talented individuals from the Troops-to-Teachers program out of the classroom; DOE and DOD are working together to try and break down these barriers.

Mr. Don Sweeney suggested, in his testimony, that the program does not address the needs of the rural areas of America. Mr. Sweeney offered a legislative proposal to address this problem.

Hearing on Department of Veterans Affairs' Fiduciary and Field Examination Activity

On July 16, 2003, the Subcommittee held an oversight hearing on the Department of Veterans Affairs' Fiduciary Program, and what improvements have been or need to be made to protect the incomes and estates of beneficiaries from fraud and abuse. When VA monetary benefits are payable to an individual who is incapable of managing his or her own financial affairs, a third party payee who acts as a fiduciary, is required. Through the Fiduciary and Field Examination Activity, VA's Compensation and Pension Service is responsible for protecting the incomes and estates of these beneficiaries. This includes monitoring the third party payee and scheduling periodic visits to the beneficiary to ensure his or her needs are being met. As of May 31, the Veterans Benefits Adminis-

tration personnel supervised the management of funds valued at over $2.7 billion for 100,157 beneficiaries, to include veterans, widows, adult helpless children, and minors.

Honorable Richard Griffin, the VA Inspector General, testified on his office's past audits and reviews of the Fiduciary and Field Examination Activity; Mr. Ronald Henke, Director of the Compensation and Pension Service, testified on the purpose of the program, how it is administered, and improvements being made as a result of the Inspector General's findings. Mr. John Pickering, a member of the American Bar Association and former Chair of the Commission on Law and Aging, explained the representative payee system at the Social Security Administration and detailed many of the problems that exist in both the Social Security Representative Payee program and VA's Fiduciary Program.

Hearing on the Uniformed Services Employment and Reemployment Rights Act

On July 24, 2003, the Subcommittee held an oversight hearing on the Department of Labor's administration of the Uniformed Services Employment and Reemployment Rights Act (USERRA). The hearing examined the effect that the law has on National Guard and Reserve members and their employers.

Witnesses included Second Lieutenant Taylor Adams, 315th Airlift Wing, Maintenance Squadron, U.S. Air Force Reserve, a recently returned reservist; Mrs. Michelle Comeau-Dumond, the wife of a currently-mobilized National Guard member and a disabled Gulf War veteran; Colonel Robert F. Norton, (USA, Retired), Co-Chairman of the Veteran's Committee of The Military Coalition; Mr. John Ryan, Senior Vice President for Human Resources, Schering-Plough Corporation; Mr. Jim Rouse, Vice President, Washington Office, ExxonMobil Corporation; Ms. Susan LaChance, Manager of Selection, Evaluation, and Recognition, United States Postal Service; Mr. Peter Perez, Senior Vice President, Human Resources, W.W. Grainger, Inc.; Lieutenant General Normand Lezy, (USAF-Ret), Vice President, National Government Relations, Wal-Mart Stores, Inc.; and Honorable Frederico Juarbe, Jr., Assistant Secretary for Veterans' Employment and Training Service at the Department of Labor, accompanied by Colonel Alan R. Smith, Director, Military Member Support for the National Committee for the Employer Support of the Guard and Reserve.

Lieutenant Adams testified that he was able to easily make a smooth transition from active duty to civilian life with the help of his employer. Mrs. Comeau-Dumond testified that her family has faced many difficulties since her husband has been mobilized to Kuwait. Colonel Norton made suggestions on how USERRA could be improved. The witnesses representing employers testified about how their corporations or services go beyond the requirements of the law for their employees who are members of the Guard and Reserve, including making up any pay deferential and continuing benefits while the employees are mobilized.

Secretary Juarbe testified for the Administration and discussed how the Department of Labor and the National Committee for the Employer Support of the Guard and Reserve, a division of the Department of Defense, work closely together as stewards of the pro-

gram to assist National Guard and Reserve Members and employers during times of mobilization.

Hearing on Department of Veterans Affairs' Life Insurance Program

On September 25, 2003, the Subcommittee held an oversight hearing on the administration of Department of Veterans Affairs life insurance programs and operational or policy issues the Department faces in administering the program.

Mr. Thomas Lastowka, Director, VA Regional Office and Insurance Center, presented testimony on behalf of the Department of Veterans Affairs. Mr. Lastowka was accompanied by Mr. Stephen Wurtz, Deputy Assistant Director for Insurance, and Mr. Mike Tarzian, Chief, Actuarial Staff. Colonel Virginia Penrod (USAF), Director of Compensation, Military Personnel Policy, testified on behalf of the Department of Defense. The veterans service organizations were represented by Mr. Brian Lawrence, Assistant National Legislative Director, Disabled American Veterans; Mr. Donald Mooney, Assistant Director for Resource Development, The American Legion; Mr. Richard Jones, National Legislative Director, AMVETS; and Mr. Carl Blake, Associate Legislative Director, Paralyzed Veterans of America.

The Administration witnesses explained the mechanisms in administering the seventh largest insurance program in the United States, and detailed their efforts to make the programs even more successful. The Insurance Center received an exemplary score of 90 on the American Customer Satisfaction Index. The veterans service organization witnesses praised the insurance programs, and offered legislative recommendations for enhancing the Service-Disabled Veterans Insurance program and the Veterans' Mortgage Life Insurance program.

Second Session

Hearing to Receive the Report of the VA Vocational Rehabilitation and Employment Service Task Force

On April 1, 2004, the Subcommittee held an oversight hearing to receive the report of the VA Vocational Rehabilitation and Employment Service Task Force. Honorable Dorcas R. Hardy, Chairman of the 12-member Task Force, presented its findings and recommendations.

Chairman Hardy testified that the Task Force proposed more than 100 recommendations in four board categories-program, organization, work process, and integrating capacities. Some program recommendations included: (1) development of new policies and procedures to implement a new, five-track employment-driven service delivery system with priority given to Guard and Reservists in the tracks for reemployment and rapid access to jobs; (2) acceleration of the delivery of Chapter 31 rehabilitation services to those veterans in most critical need; and (3) creation of new staff positions and staff for an Employment Readiness Specialist and a Marketing and Placement Specialist to facilitate implementation of a five track employment-driven service delivery system, as designed by the Task Force.

The Task Force recommended setting goals and measures of success to improve the administration of VA's responsibilities in the Transition Assistance Program and Disabled Transition Assistance Program (DTAP). The Task Force also recommended VA reorganize to include dedicated staff in planning and implementation of VA's responsibilities in the DTAP, and in executing a consistent, national DTAP program at all DOD installations and Military Treatment Facilities.

Finally, the Task Force recommended initiating a study of other Federal, state and private-sector vocational rehabilitation service organizations to benchmark outcomes, performance measures, and quality assurance practices.

Hearing on Federal Department and Agency Initiatives to use Discretionary Set-Aside and Restricted Authorities in Contracting with Service-Disabled Veteran-Owned Small Businesses

On July 15, 2004, the Subcommittee held a joint hearing with the Subcommittee on Workforce, Empowerment, and Government Programs of the Committee on Small Business, on Federal department and agency initiatives that would use discretionary set-aside and restricted authorities established in Public Law 108–183 for contracting with service-disabled veteran-owned businesses.

Witnesses included Ms. Allegra McCullough, Associate Deputy Administrator for Government Contracting & Business Development, U.S. Small Business Administration; Mr. Frank Ramos, Director for the Office of Small and Disadvantaged Business, Office of the Secretary of Defense, DOD; Mr. Brad Scott, Regional Administrator for Region 6, Heartland Region, General Services Administration; Mr. Scott Denniston, Director for the Office of Small Business & Center for Veterans Enterprise, VA; and Ms. Nina Rose Hatfield, Deputy Assistant Secretary for the Business Management and Wildland Fire, Department of the Interior, testified on behalf of the Administration.

Mr. John Lopez, Co-Chairman for the Task Force for Veterans Entrepreneurship; Mr. Rick Weidman, Chairman for the Task Force for Veterans Entrepreneurship; Dr. Steven L. Schooner, Co-Director for the Government Procurement Law Program at The George Washington University Law School; Mr. Joseph Forney, President, VetSource, Inc.; and Mr. James Hudson, Marketing Director for Austad Enterprises, Inc., testified regarding their experiences with contracting laws and regulations.

Federal departments and agencies now have additional tools to contract with service-disabled veteran-owned small businesses. The Subcommittees heard testimony by the agencies and departments about the steps they are taking to aggressively use these new contracting tools and their effect together to develop and implement the regulations for Public Law 108–183 in an expeditious manner.

Ms. McCullough reported to the Subcommittees that the percentage of prime contracting dollars that goes to these businesses is only 0.25 percent. She testified that only three agencies met or exceeded the 3 percent goal: the National Endowment for the Arts with 25.27 percent; the Consumer Products Safety Commission

with 4.35 percent; and the Railroad Retirement Board with 3.44 percent.

The private-sector witnesses representing the veterans' community testified on the effect of this new law on service-disabled veteran-owned small businesses and the difficulties they continue to face. Mr. Hudson, who operates the Veterans Business Newswire, an e-newsletter sent to more than 25,000 veteran-small business owners, called for more outreach by the Federal government toward service-disabled veteran-owned small businesses to encourage more veterans to contract with the Federal government.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

The Subcommittee on Oversight and Investigation has authority over matters that are referred to the subcommittee by the Chairman of the full Committee for investigation and appropriate recommendations (see Oversight Plan for 108th Congress, p. 91).

OVERSIGHT ACTIVITIES

First Session

Hearing on Weapons of Mass Destruction: Is Our Nation's Medical Community Ready?

On April 10, 2003, the Subcommittee held a follow-up hearing to assess VA's progress in the development of the medical education program mandated by Section 3 of Public Law 107–287, the Department of Veterans Affairs Emergency Preparedness Act of 2002. The hearing also reviewed what role VA should play in the continuing medical education of current and future health care professionals. This hearing was a follow-up to a hearing on November 14, 2001, by the Subcommittee on Oversight and Investigations to examine what roles VA and DOD should play in providing our Nation's medical students with the education and training programs necessary to diagnose and treat casualties when exposure to biological, chemical, or radiological agents is suspected.

Witnesses included: Robert H. Roswell, MD, VA Under Secretary for Health; Mr. Jerome M. Hauer, Acting Assistant Secretary for the Office of Public Health Emergency Preparedness, HHS; Mr. Eric Tolbert, Director, Emergency Preparedness and Response Directorate, Department of Homeland Security (DHS); John Nelson, MD, Member of the Board of Trustees, American Medical Association (AMA); and Colonel Maria Morgan, Deputy Adjutant General, State of New Jersey.

Mr. Hauer stated VA's assistance has been invaluable to the creation and ongoing maintenance of the Strategic National Stockpile. The Centers for Disease Control has established collaborative relationships with other specialty organizations in an effort to disseminate constituent specific information on bio-terrorism and other threats. The AMA discussed the idea of a public-private entity to bridge the gap between medical community and the public, which would be comprised of key participants, including DVA and DOD. DHS explained VA's role in National Disaster Medical System in maintaining the weapons of mass destruction pharmaceutical caches. DHS also expressed hopes of being an active partner in the development of education and training programs in response to

weapons of mass destruction. The Subcommittee also received testimony from the Deputy Adjutant General of the New Jersey National Guard on its role in natural and man made disasters.

Hearing on VA's Progress on Third Party Collections

On May 7, 2003, the Subcommittee held its third oversight hearing on the VA's third party collections process. The purpose of the hearing was to examine a number of issues facing VA as it seeks to improve its collections under the Medical Care Collection Fund program, including the progress it has made in implementing the Veterans Health Administration's 2001 Revenue Cycle Improvement Plan.

Witnesses included: Leo S. Mackay, Ph.D., Deputy Secretary, VA; Mr. Robert A Perrault, Director, Veterans Health Administration Business Office; Ms. Cynthia A. Bascetta, Director, Veterans' Health and Benefits Issues, GAO, accompanied by Mr. Michael T. Blair, Assistant Director of Health Care, GAO; Mr. Joseph Glorioso, Director, Government Subscriber Relations, Digital Healthcare Inc; Mr. Donald N. Blanding, Healthcare Information Technology Consultant; and Ms. Cathy C. Wiblemo, Deputy Director for Health Care, Veterans Affairs and Rehabilitation Division, The American Legion.

GAO provided an update on VA's third-party collections since September 2001. According to GAO, VA does not consistently bill third parties for services it provides to veterans. Further, GAO stated VA should ensure that veterans file appropriate and accurate medical insurance claims, and that all insurance claims are supported by medical record documentation. The Subcommittee was also informed the VHA should continue to reduce errors in coding, which lead to delays or non-payment. VA stated it was implementing the Patient Financial Services System project in Cleveland, which would be a comprehensive integration of business processes and information technology improvements. The Subcommittee should continue its oversight of third party collections.

Human Subjects Protections in VA Research

On June 18, 2003, the Subcommittee held its fifth oversight hearing on human subject protection in VA's medical research programs. The purpose of the hearing was to review three concerns: (1) the strength of the human subject protections at VA; (2) the necessity of maintaining an independent oversight entity that reports directly to the Under Secretary for Health; and (3) the adequacy of H.R. 1585 in addressing these concerns.

Witnesses included: Ms. Cynthia Bascetta, Director, Veterans' and Benefits Issues, GAO; Greg Koski, Ph.D., MD, Senior Scientist, Institute for Health Policy; Robert H. Roswell, M.C., VA Under Secretary for Health; accompanied by: Nelda P. Wray, MD, Chief Research and Development Officer; John H. Mather, MD, Special Assistant to the Under Secretary for Health; and David A. Weber, Ph.D.

GAO testified that the VA had taken insufficient actions to strengthen its human subjects protection systems since GAO originally made recommendations in September of 2000. GAO was critical of VA's reorganization of its headquarters research offices which lacked adequate planning and notification. Dr. Koski empha-

sized the need to create an autonomous oversight office within VA as an important step toward ensuring the integrity of its human research programs. Under Secretary Roswell discussed actions taken since a VA research stand-down ordered on March 6, 2003. As a result, the Program for Research Integrity Development and Educations within the Office of Research was established. Under Secretary Roswell also stated that the newly established Office of Research Oversight would be responsible for oversight of compliance with policy, regulations, law, and ethics.

Hearing on Force Protection: Lesson Learned and Applied from the First Gulf War.

On July 9, 2003, the Subcommittee on Oversight and Investigations held a hearing on medical protections for deployed DOD personnel. The purpose of the hearing was to review the pre-and post-deployment medical protection of troops deployed to Afghanistan and the Persian Gulf Region. Specifically, the hearing provided an assessment of what health protections were provided to troops deployed to the Gulf Region and what measures the DOD took to protect service-members from possible exposure to biological, chemical, and environmental agents. The Subcommittee also was interested in learning what medical data was collected by DOD because such information assists VA in making its future determinations of eligibility for benefits.

Witnesses included: Dr. William Winkenwerder, Assistant Secretary of Defense for Health Affairs; Dr. Jonathan B. Perlin, Deputy Under Secretary for Health, VA; and Dr. Marjorie E. Kanof, Director, Health Care-Clinical and Military Health Care Issues, GAO.

During the hearing, a lengthy discussion ensued regarding the definition of medical examinations. DOD stated that its interpretation of the law is that a medical screening fulfills the requirements of Public Law 105–85, the National Defense Authorization Act for Fiscal Year 1998. Public Law 105–85 also requires pre- and post-deployment medical examinations. The Subcommittee believes these health assessments should include: reviews of required immunizations and other medications, personnel protective and medical equipment, DNA and serum samples, dental classification, and briefings on possible health threats and countermeasures. The Subcommittee also believes the intent of the requirement was for an actual physical evaluation. GAO also testified that DOD's health care examination requirements differ for active duty versus National Guard and Reserve member.

Rx for VA's Nursing Shortage: Is There More Than One Antidote?

On October 2, 2003, the Subcommittee held a hearing to review the impact of the nursing shortage on the Department of Veterans Affairs. The purpose of the hearing was to examine programs and initiatives that offer solutions for recruitment and retention of VA's nursing work force.

Witnesses included: Cathy J. Rick, RN, CNAA, FACHE, Chief Nursing Officer, VA; Sandra K. Janzen, MS, RN, CNAA, Associate Chief of Staff/Nursing, James A. Haley Hospital, Tampa, FL; Mary Raymer, RN, MA, CNAA, Nursing Education Program Manager, Health Care Staff Development & Retention Office, VA, New Orle-

ans, LA. Barbara Blakeney, MS, APRN, BC, ANP, President, American Nurses Association (ANA); Sarah Myers, Ph.D., RNC, Nurses Organization of Veterans Affairs; Julie Cowan Novak, DNSc, RN, MA, CPNP, Head, School of Nursing, Purdue University; and Regina Foley, MBA, RN, CNAA, Vice President/Chief Nurse Executive, Ocean Medical Center, NJ.

VA witnesses testified that the VA has experienced difficulties in recruiting nursing staff, that one-third of the VA's registered nurses, licensed practical nurses, and nursing assistants are eligible to retire in 2005, and that different strategies must be employed to attract nursing graduates to VA. The Tampa VA Medical Center, FL, has had great success recruiting and retaining health care professionals, especially its nursing staff. The Subcommittee learned that 17 percent of the eligible residency scholarship participants were hired by VA facilities in 2002.

VA and the ANA cited a study conducted by Dr. Linda H. Aiken (April 1998–November 1999), which concluded that in hospitals with higher proportions of nurses educated at the baccalaureate level or higher, surgical patients experienced lower mortality rates. These assertions were disputed in written testimony submitted by the American Association of Community Colleges. VA and ANA also expressed their strong enthusiasm and support for the Magnet Accreditation Program. Magnet Status is the highest level of recognition that the American Nurses Credentialing Center can extend to health care organizations. The program has been beneficial to the hospital in retaining and recruiting nursing staff. Private sector witnesses also discussed the success rate in their hospitals since receiving Magnet Status.

VA-DOD Shared Medical Records—20 Years and Waiting

On November 19, 2003, the Subcommittee held a hearing to review the progress being made by the DOD and the VA in the last 10 years with the sharing of medical information and development of a seamless electronic medical record.

Witnesses included: Linda Koontz, Director, Information Management Issues, GAO; Major General Kenneth L. Farmer, Jr., Deputy Surgeon General, U.S. Army, DOD, Ms. Jeanne B. Fites, Deputy Under Secretary for Military Health System, DOD, Frances M. Murphy, M.D., MPH, Deputy Under Secretary for Health Policy Coordination, VA, Edward F. Meagher, Acting Chief Information Officer, VA; and Kem Clawson, Director of Advanced Technology Solutions, EMC Corporation, McLean, VA.

GAO testified that VA and DOD are making progress but full implementation of a joint strategy is years away. GAO also stated that VA and DOD have achieved a measure of success in sharing data, as evidenced by VA clinicians now having access to military health records for veterans through the Federal Health Information Exchange. However, a virtual medical record based on a two-way exchange of data between VA and DOD is far from being achieved with DOD and VA presenting differing perspectives of progress achieved.

The Subcommittee learned from Ms. Fites that it takes an average of 60 days for the DD Form 214 to be available through Defense Personnel Information Systems after a servicemember sepa-

rates from the military. VA stated that it needs such information in order to process claims and determine what is service connected. Questioning of VA and DOD witnesses revealed that the two departments continue to purchase equipment that is not compatible or interoperable, which defeats the goal of achieving shared medical records.

Second Session

Staff Site Visit to Augusta, GA

On January 15–16, 2004, minority Staff traveled to both campuses of the Augusta, GA VAMC, associated grounds, and two contract nursing homes. A primary focus was on the function of the textile care processing facility institutional laundry and the need to seek alternative methods of accomplishing this vital service due to the disrepair of the current laundry. Tours of the medical centers were also accomplished.

Staff Site Visit to Bay Pines VAMC, FL

On February 22–23, 2004, minority staff traveled to Bay Pines VAMC, FL to review the status of the Core Financial and Logistics System (CoreFLS) information technology project and to meet with principal parties to the project. A brief no-notice tour of the VAMC and nursing home was also conducted.

Hearing VI on VA's Information Technology Programs

On March 17, 2004, the Subcommittee held its sixth oversight hearing on VA's information technology programs. The purpose of the hearing was to receive an update from the VA and the DOD concerning their efforts to share medical information and develop a seamless medical record. The Subcommittee examined the advantages of electronic medical records, including capturing insurance information for third party collections and the reduction of medical errors.

Witnesses included: Dr. John Halamka, CIO of CareGroup Healthcare System and Harvard Medical School; Dr. John R. Clarke, Professor of Surgery, Drexel University, and Adjunct Professor of Computer and Information Science, University of Pennsylvania; Ms. Linda Koontz, Director, Information Management Issues, GAO; Mr. James C. Reardon, CIO, Military Health System, Office of the Assistant Secretary of Defense (Health Affairs), DOD; Dr. Robert H. Roswell, MD, Under Secretary for Health, VA; Robert M. Kollodner, Acting Chief Information Officer for Health, Veterans Health Administration; Mr. Robert N. McFarland, Assistant Secretary for Information and Technology, Department of Veterans Affairs; and Mr. Edward C. Davies, Managing Partner, Federal Civilian Agencies, Unisys Corporation.

The Subcommittee received testimony from Dr. Halamka and Dr. Clarke about the importance of moving away from paper medical records towards electronic medical records. Dr. Halamka stated that the medical group he manages has electronically converted nine million records. Dr. Clarke provided valuable information concerning the potential of electronic records to offer improvement in the safety, quality, and efficiency of health care in the United States, as called for in previous Institute of Medicine reports. The Subcommittee also reviewed the CoreFLS and the Patient Finan-

cial Services Systems. Both had cost overruns and numerous delays.

Hearing on Department of Veterans Affairs Employment Screening Practices and Procedure for Background Checks and Credentialing

On March 31, 2004, the Subcommittee held a hearing to examine serious lapses and vulnerabilities in the Department of Veterans Affairs screening process of applicants for positions within the Veterans Health Administration. .

Witnesses included: Ms. Cynthia Grubbs, Director Office of Policy and Planning, HHS; Ms. Cynthia Bascetta, Director, Health Care—Veterans' Health and Benefits Issues, GAO; and Dr. Frances M. Murphy, Deputy Under Secretary for Health Policy Coordination, Veterans Health Administration, VA.

GAO testified that it had identified key VA screening requirements that include verifying state licenses and national certificates; completing background investigations, and checking databases for practitioners who have been professionally disciplined or excluded from Federal health care programs. GAO stated that it found mixed compliance with the key requirements in the four facilities they visited. GAO recommended expansion of VA's verification process, its query of national data banks and finger printing of all practitioners who have direct patient care access.

The Subcommittee also learned that the Federal Credentialing Program which was intended to develop electronic credentialing for vetting of VA heath care professionals was disbanded in 2003. Dr. Murphy stated that VA intended to create systematic credentialing and oversight processes and would verify all existing licenses and certificates with the issuing organization for both applicants and employee renewals.

Site Visit to San Diego, CA

On April 19–22, 2004, majority staff from the Oversight and Investigations and Benefits Subcommittees conducted a site visit in the San Diego, CA area. Staff met with the VA Regional Office and received an update on its efforts in hiring veterans and disabled veterans. Staff also met with representatives involved in Operation Transition from the TAP program, organized labor, local businesses, SBA, One-Stop Career Centers, non-profit organizations, and the San Diego Chamber of Commerce to review efforts to assist veterans with employment, and starting small businesses. Staff attended TAP classes and DTAP at Point Loma Naval Base, Miramar Marine Base, and Camp Pendleton Marine Base.

On April 22, 2004, majority staff met with Rear Admiral John Mateczun, Commander, Naval Medical Center San Diego and his staff to discuss VA-DOD sharing, separation physicals, VA-DOD coordination on transition matters, physician credentialing, and third party billing. Staff also learned that the Naval Medical Center is continuing to fill its prescriptions through Consolidated Mail Order Pharmacy, even though the pilot has finished. The Center has also used VA as a business partner to develop their East County Clinic Project concept with VA Medical Center Outpatient Center in San Diego, and has used VA's safety model as its prototype to develop their own safety protocols. In the afternoon, staff met with VA

Medical Center Director Gary Rossio and his staff to discuss part-time physicians time and attendance, the research program, third party collections, and the pharmacy program.

Hearing on VA Research on Alzheimer's Disease, Parkinson's Disease and Diabetes.

On April 28, 2004, the Subcommittee held a hearing to review current research being conducted by VA and National Institutes of Health (NIH) on Alzheimer's disease, diabetes and Parkinson's disease. The hearing provided VA with an opportunity to highlight the important biomedical research that is being conducted by the VA in these areas.

Witnesses at the hearing included: Dr. Judith A. Salerno, Deputy Director, National Institute on Aging, NIH; Dr. Michael J. Kussman, Acting Deputy Under secretary for Health, Veterans Health Administration; Dr. Franklin K. Zieve, Associate Chief of Staff, Richmond VAMC; Dr. Robert Ferrante, Director, Experimental Neuorpathology, Bedford VAMC; and Dr. Mary Sano, Associate Chief of Staff, Bronx VAMC.

During the hearing, the Subcommittee received testimony from NIH about its many collaborations with VA, and how NIH conducted clinical trials in which veterans participate in studies on diseases that afflict veterans such as diabetes, Parkinson's and Alzheimer's. The Subcommittee also received an update from VA on its ongoing research. VA provided the Subcommittee with a video on deep brain stimulation which showed how effective this treatment could be in alleviating symptoms caused by Parkinson's disease. The Subcommittee also heard from researchers in the field on projects currently underway in their respective fields.

Hearing on the VA' Role in the Development of Interoperable Electronic-Medical Records Systems in the Federal Government.

On May 19, 2004, the Subcommittee held a hearing to receive an update from VA and DOD about their collaboration with HHS over the past two years and how it was instrumental in laying the groundwork for the Federal government's Health Information Technology (IT) initiative.

Witness included: Dr. Jonathan J. Javitt, Potomac Institute for Policy Studies, Member, Subcommittee on Health Care Delivery and Information Technology, President's Information Technology Advisory Committee; Ms. Linda Koontz, Director, Information Management Issues, GAO; Jonathan B. Perlin, MD, Acting Under Secretary for Health, VA; and Mr. James C. Reardon, Chief Information Officer for Military Health System, DOD.

The Subcommittee learned about the future role of VA and DOD in developing and implementing the health IT initiative. The hearing also examined the advantages of electronic medical records, which include lower cost, fewer errors, and higher quality. The Subcommittee received testimony from DOD and VA about the progress they are making with the sharing of medical information and development of a seamless electronic medical record, which they have been working on since 1998.

GAO provided an update on the progress being made by VA and DOD toward a two-way exchange of patient health care informa-

tion. Ms. Koontz stated that GAO found that the departments have achieved a measure of success in sharing through the one-way transfer of health information from DOD to VA health care facilities but they have been severely challenged in their pursuit of the longer term objective of a two way transfer of health information between the two departments. Dr. Javitt testified that when modern computer technology is added to the practice of medicine, medical errors are prevented and hospital costs are avoided and lives are saved.

Staff Site Visit to James A. Haley Veterans Hospital, Tampa, Florida

On July 1–2, 2004, majority staff members of the Subcommittee on Oversight and Investigations made a site visit to the Medical Center in Tampa, FL to review the facility's third party collections and found that outpatient billing takes longer because the facility is understaffed and does not have enough medical coders. The biggest collection obstacles appeared to be lack of integrated billing and current medical data software systems. Staff also met with the facility's research department to review its policy and implementation concerning background checks, verification of degrees and research misconduct.

On July 2, 2004, majority staff met with hospital and nursing leadership to learn about its Magnet Recognition Program. After the briefing on Tampa's Magnet Program, staff toured the hospital and visited several units: spinal cord injury, ambulatory care, and nursing home.

Oversight hearing on VA's Third Party Collections

On July 21, 2004, the Subcommittee held a hearing to examine a number of issues facing VA as it seeks to improve its third party collections, including implementation of its pilot Patient Financial Services System. The pilot project is currently underway at the Cleveland VA Medical Center. The pilot project is designed to demonstrate how integrated, commercial management and patient financial software will improve VA's third party collections.

Witnesses included: Mr. Michael L. Staley, Assistant Inspector General for Auditing, VA; Ms. Cynthia A. Bascetta, Director, Health Care—Veterans' Health and Benefits Issues, GAO; Mr. McCoy Williams, Director, Financial Management and Assurance Team, GAO; Honorable Robert N. McFarland, Assistant Secretary for the Office of Information and Technology, VA; Mr. Kenneth Ruyle, Chief Business Officer, Veterans Health Administration; Mr. Ken Ray, VISN 8 Chief Financial Officer; and Mr. Edward C. Davies, Managing Partner, Unisys Corporation.

VA testified that collections had increased $129 million above last fiscal year's collections. Considerable improvement had been made toward automated billing and collections activities. Improvements have been made to the VHA's Revenue Action Plan, which includes targeted completion of the Medicare Remittance Advice project, and its Consolidated Patient Account Centers. VA also testified that it was using lessons learned from a previous integration project and would utilize independent consultants to perform a thorough risk analysis.

GAO's testimony focused on internal control activities over third party billings and collections at three selected medical centers. GAO found continuing weaknesses that affected billing timeliness. These weaknesses included not billing insurance companies in a timely manner, verifying and updating patients' third-party insurance, and inadequate documentation to support billings. GAO also found inconsistency in compliance with follow-up procedures, especially for Medicare secondary insurance companies. The IG provided a summary of Combined Assessment Program reviews. Mr. Staley's testimony was similar to GAO's regarding weaknesses in the collections process. The IG also cited a 2002 audit showing that clearing the backlog of unissued bills totaling over $1 billion would net $368.4 million in additional collections.

Staff Site Visit to Western VA Facilities

On August 9–14, 2004, Minority staff traveled to Dugway, UT; Salt Lake City, UT; Sacramento, CA; Martinez, CA; Oakland, CA; San Francisco, CA; Mare Island, CA; and Reno, NV. A general review of management flexibility and standardization with VA Central Office policies was the objective for this trip. The visit included a number of both scheduled and no-notice visits. At the medical centers, patient care was a principal focus of the review, but issues including staffing, contracting, and part-time physician attendance were also reviewed. At the Regional Offices (VBA) and (NCA), staffing concerns and performance were discussed. The VISN 21 Office visit focused on contract nursing homes and nursing home quality. The trip included a tour of the East Bay Stand-Down and also a day-long visit to the classified technical library at the US Army's Dugway Proving Ground in Utah to review chemical and biological exposure reports involving US military and civilian personnel circa 1948–1970s.

Site Visit to Nashville and Murfreesboro, TN

On August 27–18, 2004, Minority Staff conducted no-notice visits of VA facilities at Nashville and Murfreesboro, TN, which included a review of one medical center, a BVA Regional Office and a national cemetery. The focus of the visit to the Medical Center included general patient care, long-term psychiatric care, and the laundry.

Hearing on Department of Veterans Affairs' Smart Card Projects

On October 6, 2004, the Subcommittee held a hearing to receive an update from the VA concerning its Smart Card projects.

Witnesses included: Honorable Benjamin H. Wu, Deputy Under Secretary for Technology, Technology Administration, Department of Commerce; Ms. Linda Koontz, Director, Information Management Issues, GAO, accompanied by: Ms. Valerie C. Melvin, Assistant Director, Information Management Issues, GAO Mr. Neville Pattinson, Director of Business Development, Technology and Government Affairs, Axalto; Honorable Robert N. McFarland, Assistant Secretary for Information and Technology, VA; and Mr. Robert J. Brandewie, Director, Defense Manpower Data Center, Office of the Secretary of Defense for Personnel and Readiness, DOD.

Under Secretary Wu addressed the development of the Government's Smart-Card Interoperability Specification and the efforts of the National Institute of Standards and Technology standardize the specifications both nationally and internationally. The Subcommittee also received testimony about VA's efforts related to the development of its Smart Card and biometric technologies, and its VA Authentication and Authorization Infrastructure Project. Secretary McFarland stated that its VA Smart Card project will be completed in 18 months.

During the hearing, the Subcommittee learned about the benefits of using Smart Card technology to ensure VA infrastructure security, cyber security, employee accountability and fraud prevention in the compensation and pension delivery system. DOD has issued approximately six million cards to its employees without any major problems. GAO testified that since VA is using the General Services Administration's standard contracting vehicle to purchase commercial Smart Card products from vendors and is participating in government-wide initiatives, it should be in a better position to be successful with its efforts.

SUMMARY OF VETERANS' AFFAIRS COMMITTEE ACTION
BILLS AND RESOLUTIONS REFERRED AND HEARINGS / EXECUTIVE SESSIONS CONDUCTED

	Congress																		
	90th	91st	92d	93d	94th	95th	96th	97th	98th	99th	100th	101st	102d	103d	104th	105th	106th	107th	108th
Bills and resolutions referred	685	740	693	839	719	709	339	273	229	198	147	194	215	174	128	134	146	194	253
Hearing sessions	46	43	37	44	58	72	84	89	71	76	44	72	67	71	39	56	66	58	65
Meetings and mark-up sessions	13	27	21	16	30	26	19	18	16	20	16	26	20	23	19	18	13	14	16
Bills reported	[3] 19	34	26	[4] 14	23	32	11	16	15	17	14	33	21	25	15	15	10	14	22
Bills in House	4	1	4	1	.....	1	1	1	3	3	1	4	3	11	.....	.....	1	.....	.....
Pending in Senate committees	3	9	7	2	[5] 9	17	3	6	6	8	9	23	7	11	10	1	1	10	7
Bills on Senate Calendar or in Senate	.....	.....	.....	.....	.....	1	1	1	.....	1	3	1	3	3	.....	.....	1	.....	4
Recommitted	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bills vetoed	.....	.....	2	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bills passed over veto	.....	.....	.....	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Laws enacted	15	24	15	15	15	13	6	8	8	6	4	8	24	15	6	6	11	12	9

[1] Including 4 bills enacted as amendment to other legislation; 1 left in House when similar Senate bill returned to Senate, and 1 similar to another bill enacted (Public Law 87–645).
[2] Includes 2 bills enacted as amendments to other bills.
[3] Includes 1 bill enacted as amendment to another bill.
[4] Some laws include the substance of more than 1 bill reported separately. 39 separately reported bills were enacted, 7 as amendments to other legislation.
[5] Provisions of 3 of these bills were passed by the House as separate bills, and the provisions of 1 bill were included as an amendment to another bill which became public law.
[6 7] One bill in a Senate committee had purpose accomplished administratively, 5 other were enacted as sections of another bill; and portions of 1 bill left in the House were enacted as part of another bill.
[8] Includes S.J. Res. 197 making technical correction to law, which was brought to House floor for immediate consideration and passage by unanimous consent.
[9] The difference in number of bills reported (14) and laws enacted (15) is due to the fact that S. 3705 did not go to the House Committee.
[10 8] Includes S.J. Res. 197 making technical correction to law, which was brought to House floor for immediate consideration and passage by unanimous consent.
[9] The difference in number of bills reported (14) and laws enacted (15) is due to the fact that S. 3705 did not go to the House Committee.
[10] Includes H.R. 9576 subject matter of which was contained in S. 969, passed in lieu.

HEARINGS AND EXECUTIVE SESSIONS

(All hearings and executive sessions of the Committee are held in the Committee hearing room. Room 334, Cannon House Office Building unless otherwise designated.)

January 29, 2003. OPEN. 1:00 p.m. Full Committee. Meeting. Organizational.

January 29, 2003. OPEN. 1:30 p.m. Full Committee. Hearing. Department of Veterans Affairs Health Care System. (Serial No. 108–1)

February 5, 2003. OPEN. 2:00 p.m. Full Committee. Hearing. The State of Veterans' Employment. (Serial No. 108–2)

February 11, 2003. OPEN. 10:00 a.m. Full Committee. Meeting. Oversight Plan.

February, 11,2003. OPEN. 10:00 a.m. Full Committee. Hearing. Department of Veterans Affairs Budget Request for Fiscal Year 2004. (Serial No. 108–3)

February 25, 2003. OPEN. 2:00 p.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The legislative priorities of the Disabled American Veterans.

February 27, 2003. OPEN. 2:00 p.m. Full Committee. Meeting. To approve Committee's views and estimates for the FY 2004 budget for submission to the Budget Committee.

March 6, 2003. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the Military Order of the Purple Heart, Paralyzed Veterans of America, Jewish War Veterans, Blinded Veterans Association and Non Commissioned Officers Association.

March 12, 2003. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the Veterans of Foreign Wars.

March 13,2003. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of The Retired Enlisted Association, Gold Star Wives, Fleet Reserve Association and Air Force Sergeants Association.

March 19, 2003. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Oversight Hearing on the Availability and Eligibility for Pharmaceutical Services Provided by the Department of Veterans Affairs. (Serial No. 108–4)

March 20, 2003. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of AMVETS, American ExPrisoners of War, Vietnam Veterans of America, Military Officers Association of America and the National Association of State Directors of Veterans Affairs.

March 27, 2003. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Bioterrorism Research and Post-Deployment Health Care for Veterans. (Serial No. 108–5)

April 3, 2003. OPEN. 9:30 a.m. Full Committee. Markup. H.R. 100 and H.R. 1297.

April 9, 2003. OPEN. 2:00 p.m. Subcommittee on Benefits. Hearing. Troops-to-Teachers. (Serial No. 108–6)

April 10, 2003. OPEN. 9:30 a.m. Subcommittee on Benefits. Hearing. H.R. 241, H.R. 533, H.R. 761, H.R. 850, H.R. 966, and H.R. 1048. (Serial No. 108–7)

April 10, 2003. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. 340 Cannon HOB. Weapons of Mass Destruction: Is Our Nation's Medical Community Ready? (Serial No. 108–8)

April 10, 2003. OPEN. 1:00 p.m. Subcommittee on Health. Hearing. Medical and Prosthetic Research in the Department of Veterans Affairs. (Serial No. 108–9)

April 30, 2003. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. H.R. 1460, the Veterans Entrepreneurship Act of 2003; H.R 1712, the Veterans Federal Procurement Opportunity Act of 2003; and H.R. 1716, the Veterans Earn and Learn Act. (Serial No. 108–10)

May 6, 2003. OPEN. 1:00 p.m. Subcommittee on Health. Markup. H.R. 1562, H.R. 1715, H.R. 1832, H.R. 1908 and H.R.1911.

May 6, 2003. OPEN. 1:30 p.m. Subcommittee on Health. Hearing. Homeless Assistance Programs in VA. (Serial No. 108–11)

May 7, 2003. OPEN. 11:30 a.m. Subcommittee on Benefits. Markup. H.R. 241, H.R. 761, H.R. 1257, H.R. 1460, H.R. 1683 and H.R. 1949.

May 7, 2003. OPEN. 2:00 p.m. Subcommittee on Oversight and Investigations. Hearing. To Review the Progress of the Department of Veterans Affairs Regarding the Collection of its Medical Care Collection Fund (MCCF). (Serial No. 108–12)

May 8 and June 10, 2003. OPEN. 10:00 a.m. Full Committee. Hearings. Past and Present Efforts to Identify and Eliminate Fraud, Waste, Abuse, and Mismanagement in Programs Administered by the Department of Veterans Affairs. (Serial No. 108–13)

May 15, 2003. OPEN. 10:00 a.m. Full Committee. Markup. H.R.]257, H.R. 1460, H.R. 1562, H.R. 1683, H.R. 1715 and H.R. 1911.

May 22, 2003. OPEN. 1:30 p.m. Subcommittee on Health. Hearing. Oversight Hearing on Long-Term Care Programs in VA.

June 3 and June 17, 2003. OPEN. 10:00 a.m. Full Committee. Hearing. Hearings on the Report of the President's Task Force to Improve Health Care Delivery for our Nation's Veterans. (Serial No. 108–15)

June 11, 2003. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. H.R. 886, H.R. 1167, H.R. 1500, H.R. 1516, H.R. 2163, H.R. 2164, H.R. 2285, and H.R. 2297.

June 11, 2003. OPEN. 2:00 p.m. Subcommittee on Health. Hearing. H.R. 116, H.R. 1720, H.R. 2307, and H.R. 2349. (Serial No. 108–17)

June 18, 2003. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Human Subjects Protections in VA Research.

June 24, 2003. OPEN. 11:00 a.m. Subcommittee on Health. Markup. H.R. 116, H.R. 1720, H.R. 2357 and H.R. 2433.

June 25, 2003. OPEN. 10:00 a.m. Subcommittee on Benefits. Markup. H.R. 1516 and H.R. 2297.

June 26, 2003. OPEN. 10:00 a.m. Full Committee. Markup. H.R. 116, H.R.1516, H.R. 1720, H.R. 2357, H.R. 2433, H.R. 2595 and H. Con. Res. 159.

July 9, 2003. OPEN. 2:00 p.m. Subcommittee on Oversight and Investigations. Hearing. Force Health Protection: Lessons Learned and Applied From the First Gulf War. (Serial No. 108–19)

July 15, 2003. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. H.R. 1585, a bill to establish an office to oversee research compliance and assurance within the Veterans Health Administration of the Department of Veterans Affairs.

July 16, 2003. OPEN. 10:30 a.m. Subcommittee on Benefits. Hearing. Department of Veterans Affairs' Fiduciary Program. (Serial No. 108–21)

July 24, 2003. OPEN. 9:30 a.m. Subcommittee on Benefits. Hearing. Hearing on the Uniformed Services Employment and Reemployment Rights Act.

September 16, 2003. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 216 Hart SOB. The Legislative Priorities of The American Legion.

September 25, 2003. OPEN. 10:30 a.m. Subcommittee on Benefits. Hearing. Oversight Hearing on the Department of Veterans Affairs' Life Insurance Program. (Serial No. 108–23)

September 30, 2003. OPEN. 2:30 p.m. Room 340 Cannon HOB. Subcommittee on Health. Hearing. H.R. 2379, the Rural Veterans Access to Care Act of 2003; and H.R. 3094, the Veterans Timely Access to Health Care Act. (Serial No. 108–24)

October 2, 2003. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Rx for VA's Nursing Shortage: Is There More Than One Antidote?

October 8, 2003. OPEN. 1:30 p.m. Subcommittee on Health. Markup. H.R. 1585.

October 16, 2003. OPEN. 10:00 a.m. Full Committee. Hearing. Handoff or Fumble? Are DOD and VA Providing Seamless Health Care Coverage to Transitioning Veterans? (Serial No. 108–26)

October 21, 2003. OPEN. 2:00 p.m. Subcommittee on Health. Hearing. Hearing on Veterans Affairs Physician and Dentist Compensation Issues. (Serial No. 108–27)

November 19, 2003. OPEN. 10:30 a.m. Subcommittee on Oversight and Investigations. Hearing. Hearing on VA-DOD Shared Medical Records—20 Years and Waiting.

January 28, 2004. OPEN. 10:00 a.m. Full Committee. Hearing. Hearing on the Department of Veterans Affairs Policies Affecting the Millions of Veterans Who Will Need Long-Term Care in the Next Ten Years. (Serial No. 108–29)

February 4, 2004. OPEN. 10:00 a.m. Full Committee. Hearing on the Department of Veterans Affairs Budget Request for Fiscal Year 2005. (Serial No. 108–30)

February 24, 2004. OPEN. 2:00 p.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 216 Hart SOB. The Legislative Priorities of the Disabled American Veterans.

March 4, 2004. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the Non Commissioned Officers Association, Military Order of the Purple Heart, Paralyzed Veterans of America, Jewish War Veterans and Blinded Veterans Association.

March 10, 2004. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. 216 Hart SOB. The Legislative Priorities of of the Veterans of Foreign Wars.

March 11, 2004. OPEN. 9:30 a.m. Subcommittee on Health. Hearing. Oversight Hearing on the Status of Department of Veterans Affairs' Post-Traumatic Stress Disorder Programs.

March 17, 2004. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Hearing VI on the Department of Veterans Affairs Information Technology Programs.

March 18, 2004. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the Air Force Sergeants Association, The Retired Enlisted Association, Gold Star Wives and Fleet Reserve Association.

March 24, 2004. OPEN. 11:00 a.m. Full Committee. Hearing. Hearing on Employing Veterans of Our Armed Forces.

March 25, 2004. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the National Association of State Directors of Veterans Affairs, AMVETS, American Ex-POWs, Vietnam Veterans of America and the Military Officers Association of America.

March 30, 2004. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Hearing on the Department of Veterans Affairs Providing Certain Veterans with a Prescription-Only Health Care Benefit.

March 31, 2004. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Hearing on VA's Current Procedures for Background Checks and Credentialing.

April 1, 2004. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Hearing to Receive the Report of VA's Vocational Rehabilitation and Employment Service Task Force.

April 13, 2004. OPEN. 8:30 a.m. Municipal Plaza Building, City Hall Complex, City Council Chambers, San Antonio, Texas. Subcommittee on Health. Hearing. Oversight Hearing on the Status of

Military and VA Health Care Coordination, Including Post-Deployment Health Care of Recently Discharged Veterans.

April 28, 2004. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Hearing on VA Research on Alzheimer's Disease, Parkinson's Disease, and Diabetes.

April 29, 2004. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Hearing on H.R. 348, H.R. 843, H.R. 1735, H.R. 2206, H.R. 2612, H.R. 3936, H.R. 4065, H.R. 4172, H.R. 4173 and a draft bill.

May 6, 2004. OPEN. 9:30 a.m. Subcommittee on Health. Hearing. Hearing on H.R. 4020, State Veterans' Homes Nurse Recruitment and Retention Act of 2004; H.R. 4231, Department of Veterans Affairs Nurse Recruitment and Retention Act of 2004; H.R. 3849, Military Sexual Trauma Counseling Act of 2004; H.R. 4248, Homeless Veterans Assistance Reauthorization Act of 2004; and a draft bill to reform the qualifications and selection requirements for the position of the Under Secretary for Health.

May 13, 2004. OPEN. 9:30 a.m. Subcommittee on Health. Markup. H.R. 4231 and H.R. 4248.

May 13, 2004. OPEN. 11:00 a.m. Subcommittee on Benefits. Markup. H.R. 1716, H.R. 3936, H.R. 4175 and H.R. 4345.

May 18, 2004. OPEN. 10:30 a.m. Full Committee. Hearing. Oversight Hearing on Homeless Assistance Programs for Veterans—Implementation of Public Law 107–95, the Homeless Veterans Comprehensive Assistance Act of 2001, and Status of the National Goal to End Chronic Homelessness by 2011.

May 19, 2004. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Department of Veterans Affairs Role in the Future of Electronic Health Records.

May 19, 2004. OPEN. 2:30 p.m. Full Committee. Markup. H.R. 1716, H.R. 3936, H.R. 4175, H.R. 4231, H.R. 4248 and H.R. 4345.

June 7, 2004. OPEN. 9:30 a.m. Newington VAMC, Connecticut. Subcommittee on Health. Hearing. Oversight Hearing on Optimizing Facilities and Improving the Delivery of Health Care and Services to Veterans in the State of Connecticut.

June 16, 2004. OPEN. 11:00 a.m. Subcommittee on Benefits. Hearing. Room 340 Cannon HOB. Hearing on H.R. 4032, and draft bill, the Veterans Self-Employment Act of 2004.

June 17, 2004. OPEN. 10:00 a.m. Full Committee. Follow-up Hearing on Efforts to ldenti1)r and Eliminate Fraud, Waste, Abuse, and Mismanagement in Programs Administered by the Department of Veterans Affairs.

June 23, 2004. OPEN. 10:00 a.m. Full Committee. Hearing. Hearing on Protecting the Rights of Those Who Protect Us: Public Sector Compliance with the Uniformed Services Employment and Reemployment Rights Act and Improvement of the Servicemembers Civil Relief Act. Testimony also heard on H.R. 3779 and H.R. 4477; and two draft bills, the USERRA Health Care Coverage Extension Act of 2004; and the Servicemembers Legal Protection Act of 2004.

June 24, 2004. OPEN. 9:30 a.m. Subcommittee on Health. Hearing. Hearing on a draft bill, the Department of Veterans Affairs Real Property and Facilities Management Improvement Act of 2004.

July 8, 2004. OPEN. 9:30 a.m. Subcommittee on Health. Markup. H.R. 4768.

July 15, 2004. OPEN. 2:00 p.m. Subcommittee on Benefits and Subcommittee on Workforce Empowerment, and Government Programs, Committee on Small Business. Joint Hearing. Room 311 Cannon HOB. Excellence in Action: Government Support of Disabled Veteran-Owned Business.

July 21, 2004. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Fourth Hearing on the VA's Progress in the Third Party Collections Program and Implementation of the Patient Financial Services System.

July 21, 2004. OPEN. 1:15 p.m. Full Committee. Markup. H.R. 1318, H.R. 4658, H.R. 4768 and H.R. 4836.

July 22, 2004. OPEN. 9:30 a.m. Full Committee. Hearing. Hearing on the Evolution of VA-DOD Collaboration in Research and Amputee Care for Veterans of Current and Past Conflicts, as well as Needed Reforms in VA Blind Rehabilitation Services.

August 26, 2004. OPEN. 10:00 a.m. Full Committee. Hearing. Ten Years After 9/11: Is VA Prepared to Fulfill Its Roles in Homeland Security?

September 21, 2004. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. 345 Cannon HOB. The legislative priorities of The American Legion.

October 6, 2004. OPEN. 9:30 a.m. Subcommittee on Oversight and Investigations. Hearing. Hearing on the Department of Veterans Affairs Smart Card Projects.

COMMITTEE WEB SITE

www.veterans.house.gov

The Committee on Veterans' Affairs operates, maintains, and updates a web site (veterans.house.gov) containing comprehensive and timely information on Committee activities, federal actions, and other news of interest to veterans. The web site contains thousands of pages of information, organized into nine sections: About the Committee; About the Chairman; Committee News; Committee Hearings; Committee Documents; Veterans' Legislation; VA Benefits; VA Health Care; and Veterans Links.

The website was redesigned and re-launched in the 107th Congress in order to make it more functional, informative, and aesthetically pleasing. Subsequently, in March of 2003, the web site was honored by the Congress Online Project as one of the very best web sites among all 610 congressional web sites reviewed. The Committee web site received a grade of "A", making it one of only 26 web sites to receive a "Silver Mouse Award" in 2003.

The transformation of the Committee's web site continued during the 108th Congress with a redesigned section on veterans' benefits,

and a major new Committee Spotlight feature on the 60th anniversary of the GI Bill. Both of these expanded sections provide web site visitors with a wealth of information, both historical and current. Throughout the 108th Congress, the Committee continued to enhance the web site with additional links and information of interest to our target audiences: veterans, Congress, and other individuals and organizations interested in public policy concerning veterans.

OVERSIGHT PLAN FOR 108th CONGRESS

In accordance with clause 2(d)(1) of Rule X of the House of Representatives, the Committee on Veterans' Affairs on February 11, 2003, adopted its oversight plan for the 108th Congress.

This oversight plan is directed at those matters most in need of oversight within the next two years. The Committee is cognizant of the requirement that it conduct oversight on all significant laws, programs, or agencies within its jurisdiction at least every ten years. To ensure coordination and cooperation with the other House committees having jurisdiction over the same or related laws affecting veterans, the Committee will consult as necessary with the Committee on Armed Services, the Committee on Education and the Workforce, and the Committee on Government Reform.

Oversight will be accomplished through committee and subcommittee hearings, field and site visits by Members and staff, and meetings and correspondence with interested parties. Methods of oversight will include existing and requested reports, studies, estimates, investigations and audits by the Congressional Research Service, the Congressional Budget Office, the General Accounting Office, and the Offices of the Inspectors General of the Departments of Veterans Affairs and Labor.

The Committee will seek the views of veterans' service organizations, military associations, other interest groups and private citizens. The Committee also welcomes communications from any individuals and organizations desiring to bring matters to its attention. A series of joint hearings is scheduled with the Senate Committee on Veterans Affairs at which veterans' service organizations and military associations will present to the committees their national resolutions and agendas for veterans.

While this oversight plan describes the foreseeable areas in which the Committee expects to conduct oversight during the 108th Congress, the Committee and its subcommittees will undertake additional oversight activities as the need arises.

1. **VA-administered Insurance Program.** The Department of Veterans Affairs (VA) administers six life insurance programs under which two million policies with a value of $20 billion remained in force at the end of fiscal year 2002. The committee will examine policy and operational issues VA faces in operating the seventh largest insurance program in the United States.
2. **Non-Service-Connected Pension Program.** The non-service-connected disability pension program provides financial assistance to more than 348,000 low-income veterans. Veterans must have at least 90 days of military service, including at least one day of wartime service, and be totally and permanently disabled for employment purposes as a result of disability not related to their military service, or over age 65. The committee will examine the administration of this program.
3. **Improvements in Timeliness of Claims Processing.** VA provides over $22 billion a year in disability compensation

and pension benefits to more than 2.4 million veterans. The Veterans Benefits Administration (VBA) has made many improvements to its operations, including realigning its field offices to improve control of claims and shifting its focus from resource management to workload management. The committee will focus on the General Accounting Office's December 2002 report, *Veterans Benefits: Claims Processing Timeliness Performance Measure Could be Improved* (GAO–03–282).

4. **State of Veterans' Employment and Training.** From May 1997 to June 2001, the General Accounting Office (GAO) issued eight reports criticizing the Veterans' Employment and Training Service, Department of Labor, for deficiencies in performance, management, and strategic planning. Public Law 107–288, the Jobs for Veterans Act, reformed the nationwide veterans' employment and training delivery system, focusing on accountability, flexibility, incentives, and results. Further, Public Law 106–50, the Veterans Entrepreneurship and Small Business Development Act of 1999, increased small business opportunities for veterans and disabled veterans by improving their access to capital, information, and markets. The committee will examine implementation of these two laws.

5. **Troops-To-Teachers.** The Troops-To-Teachers program services as an alternative route to teacher certification for military servicemembers and retirees who seek a second career as a public school teacher. The program is funded by the Department of Education. The committee plans a joint hearing with the Committee on Education and the Workforce. The committees expect to examine the skills and experience that veterans bring to teaching, as well as the administration of the program.

6. **Role of the Board of Veterans' Appeals in the 21st Century.** The Board of Veterans' Appeals (BVA) is the component of the VA responsible for making the final Departmental decision on behalf of the Secretary in appeals of veterans' benefits claims. Since the advent of judicial review of appeals of veterans' claims in 1988, the essential mission of BVA has remained relatively unchanged. The committee will examine how to most effectively use the Board's expertise and resources in serving veterans.

7. **Quality Assurance for Disability Claims at the Board of Veterans' Appeals.** Veterans who are dissatisfied with a decision made by a VA regional office may appeal that decision to BVA. During fiscal years 1999 and 2000, BVA decided an average of 35,000 appeals per year. GAO reviewed the quality assurance program at the Board and the Board's collection of data to improve the quality and consistency of its decisions on veterans' claims. The committee will focus on the GAO's August 2002 report, *Veterans' Benefits: Quality Assurance for Disability Claims and Appeals Processing Can Be Further Improved.* (GAO–02–806).

8. **Vocational Rehabilitation and Employment.** VA's Vocational Rehabilitation and Employment (VR&E) program provides services and assistance to enable veterans with service-connected disabilities to obtain and maintain suitable employment, and to enable certain other disabled veterans to achieve independence in daily living. The committee will examine VR&E's focus on suitable employment, assistance to the most seriously disabled veterans, succession planning, contracted services, claims processing, employer outreach and quality assurance.
9. **Office of Federal Contract Compliance Programs.** The Office of Federal Contract Compliance Programs (OFCCP) is an enforcement agency within the Department of Labor. In addition to other equal employment laws, OFCCP enforces the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA). The law requires that employers with Federal contracts of $100,000 or more provide equal opportunity and affirmative action for certain veterans. The Federal government awards prime contracts worth approximately $200 billion per year. The committee will examine OFCCP's recent investigatory and enforcement actions related to VEVRAA, staffing matters, and the general complaint process.
10. **Fiduciary Activities.** When a probate court or VA rating board determines an adult VA beneficiary is incompetent, VBA personnel assess the need for a fiduciary, appoint an appropriate person or entity to manage the beneficiary's funds, and monitor the management of those funds. As of December 31, 2002, VBA personnel supervised the management of funds for more than 100,000 incompetent beneficiaries. VA's Inspector General has begun conducting Combined Assessment Program reviews at VBA regional offices. The most recent summary report (Report No. 02–01811–38) indicates that improvement with regard to Fiduciary and Field Examination activities is needed at more than 50 percent of the regional offices reviewed between June 2000 and September 2002. The committee will determine the extent of problems with VBA's fiduciary program and recommendations for improvements.
11. **Meeting the Health Care Needs of Veterans.** Despite record budget increases, the growing demand for health care is outpacing the resources allotted to VA for veterans' health care. The committee will evaluate factors that contribute to the loss of current services, long waiting times and delayed or denied care. The committee will also review the recommendations of the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans and any plans to implement the Task Force's recommendations.
12. **Infrastructure Maintenance in VA Health Care and CARES.** The VA health care system capital asset planning process, known as Capital Assets Realignment for Enhanced Services (CARES) II, is underway, with a scheduled date of completion during the 108th Congress. The committee is con-

cerned about the cumulative effects of years of insufficient resources to adequately maintain VA's aging health care facilities. Many need significant maintenance, repair and modernization. The committee will review these needs and the implementation of CARES and its next phases.

13. **Veterans Equitable Resource Allocation System.** The Veterans Health Administration (VHA) adopted this system of allocating funds to its field health activities in April 1997. During the past year, the allocation model was revised. The committee will review the implementation, operation and effectiveness of the new Veterans Equitable Resource Allocation (VERA) model and its impact on veterans.
14. **Management Improvements.** The VA's plans in fiscal year 2003 included saving $298 million by making management improvements, with an additional $800 million in savings proposed for fiscal year 2004. The committee will review the business practices, scope and success of VA management improvements.
15. **VA and DOD Health Resources Sharing.** Sections 721 through 726 of Public Law 107–314 provided the most significant changes to VA-DOD sharing authority in its 20-year history. With new opportunities and incentives in place to conserve scarce federal health care resources and improve the delivery of services to the military-veteran community, the committee intends to continue its close oversight of VA-DOD resource sharing, especially implementation of the new legislation.
16. **Status of VA Medical, Biological, Chemical and Radiological Research.** VA medical research, in affiliation with the nation's leading schools of medicine, has been remarkably successful in curing human disease and advancing biomedicine. The committee has monitored VA research for a number of years and will continue to review it. Public Law 107–287 expanded the VA's role in homeland security and created new research centers to counter biological, chemical, and radiological terrorism and threats against active duty service members, veterans and the general public. Implementation of the new law will be carefully monitored.
17. **Mental Health and Substance-Use Disorder Programs.** Reported reductions in capacity of VA programs to care for the most seriously mentally ill veterans, especially those with psychoses and with substance-use disorders, continue to be a matter of concern. The committee will explore the state of VA's mental health programs and the effectiveness of chronic mental illness treatment programs in VA's institutional, contract, community-based, case-management and aftercare programs.
18. **Follow-up on Millennium Act.** Public Law 106–117, the Veterans Millennium Health Care and Benefits Act, was the most significant health care legislation Congress has enacted for veterans in a number of years. Since the law was enacted, VA has implemented many of its provisions. The com-

mittee will continue to give attention to the remaining steps VA must take to comply fully with its mandates and will provide oversight to those programs already implemented, including the effectiveness of pilot programs and the maintenance of capacity in VA's long-term care programs.

19. **Rural Health Care Matters.** The committee is concerned about the health of veterans who live in rural and remote regions, particularly whether they have adequate access to VA health care and services. The emergence of VA telemedicine holds promise to extend VA services beyond major VA medical centers. The committee will examine the role of telemedicine in VA's efforts in rural care. Also, VA has promoted improved access through its community-based clinics, primary care outlets now numbering in the hundreds. The committee will explore geographic distribution of these clinics to determine if VA has adequately responded to rural veterans' needs, including investigation of the availability of mental health services in rural clinics.

20. **Women Veterans' Programs.** An Advisory Committee on Women Veterans was established in 1983 under Public Law 98–160 to assess the health care, outreach, and benefits needs of women veterans and make recommendations to the Secretary of Veterans Affairs and Congress. VA medical centers have been mandated to designate women veterans' coordinators, in addition to providing specialized health services and outreach. The committee will continue to review VA policies and programs for women veterans.

21. **Scarce Medical Specialty Contracting.** The committee is concerned about medical specialty services obtained through government contracts. Some of these contracts are expensive compared to average costs for government-employed physicians. The committee will explore options for obtaining such physician specialty services in a cost-effective manner.

22. **Personnel Legislation.** Congress made significant changes in VA practitioner pay systems in Public Law 106–419, the Veterans Health Care Personnel and Benefits Act of 2000. The committee will examine VA's implementation of these changes and consider the need for additional legislation.

23. **Prescription Drugs.** The committee will examine VA's pharmaceutical program, including practices, costs and copayments for veterans, in order to assess the pharmaceutical services veterans receive.

24. **Force Protection.** The committee will continue to actively monitor DOD force protection practices and policies (especially those actions being taken by DOD in advance of military deployments overseas), and review measures taken by DOD to ensure VA will be able to appropriately identify and care for service-connected conditions of returning veterans in the event of war with Iraq. In addition, VA has announced it will double its research investment for Persian Gulf War Illnesses. The committee will continue to investigate issues linked to war-related illnesses and injuries.

25. **The Deseret Test Center Project 112 and Shipboard Hazards and Defense Program.** In the last session of the 107th Congress, the committee held a hearing to investigate potential health consequences to veterans involved in tests conducted through DOD's Deseret Test Center, known as Project 112, and Shipboard Hazards and Defense (SHAD). The committee will continue to monitor information from DOD and review whether active duty forces are being adequately protected and appropriately informed regarding their potential exposures.
26. **Hepatitis C Programs.** The committee will examine VA's response to the incidence of hepatitis C virus (HCV) infection among its patient population and the methods by which VA allocates and monitors funding for education, screening and treatment of HCV.
27. **Medical Care Collection Fund/Medicare Remittance Advice.** VA collects over $680 million per year from third party insurers for medical care provided to veterans with health care insurance. The committee will examine what progress has been made by the VA since the September 20, 2001, hearing on this issue. The committee will review improvements in collection procedures, cost of collections, cost of care provided to veterans, and outsourcing initiatives.
28. **Fugitive Felon Program.** Prior to 2002, veterans and dependents wanted by United States law enforcement authorities for committing felony criminal acts were eligible to receive VA benefits while fleeing from justice. Based on a legislative proposal presented by the VA Inspector General, the 107th Congress enacted Public Law 107–103, prohibiting specified VA benefits to be paid or provided to fugitive felons and dependents. The committee will review the implementation of this program.
29. **Cemetery Standards of Appearance.** The committee will examine what steps the National Cemetery Administration should take to ensure the appearance of the cemeteries it maintains meets the standards defined in the Logistics Management Institute's 2002 report, *Cemetery Standards of Appearance.*
30. **National Personnel Records Center.** The National Personnel Records Center (NPRC) is responsible for maintaining the official military personnel records of discharged members of the Armed Forces. The committee will examine NPRC's external role in VBA's processing of veterans claims and what improvements are needed to ensure timely retrieval of records.
31. **Hearing on VA's Biomedical Research Program.** The committee will review VA research developments, with a particular focus on Parkinson's disease, Alzheimer's disease and diabetes research.
32. **VA Research.** The committee will examine the relationship between the Office of Research Compliance and Assurance

(ORCA) and the Office of Research and Development. The committee will also conduct a follow-up review of ORCA's report on the accreditation of human subject protections, and related issues including the indirect costs associated with the National Institute of Health (NIH) research at VA. The committee will examine the impact of VA coverage of all indirect costs associated with research on VA healthcare.

33. **VA Information Technology Programs.** The committee will continue its oversight of VA's IT programs to review progress being made with implementation of its integrated enterprise architecture plan and efforts to improve its internal and external cyber security.
34. **Nursing Shortages.** VA continues to have a difficult time retaining and recruiting registered nurses. The committee will examine short-term and long-term implications of this nationwide problem and what actions VA should take to address this nursing shortage.
35. **VHA's 4th Mission, Preparedness and Capacity.** The events of September 11th, 2001, raised the national awareness of the role of the Federal Government in times of emergency or disaster. The committee will review VA's role and responsibilities in emergency and disaster response.
36. **VA Contract Nursing Home Safety.** The various states have differing standards for inspecting nursing homes. The committee will review VA's role in oversight of nursing homes with VA contracts.
37. **Prioritization of Veterans Health Care.** VA has established a new ″Category 8″ classification for veterans who have higher incomes and do not suffer from military service related disabilities or health problems. In 2002, over half the 830,000 veterans who enrolled for VA health care were classified as Category 8. The committee will examine the effect that Category 8 veterans have on VA's budget and health care delivery.
38. **VA Physicians' Duty Assignments and Timekeeping.** The VA Inspector General's Combined Assessment Program Reviews have cited the need for VA medical centers to do a better job of monitoring their part-time physicians who hold a joint appointment with the VA and an affiliated university. The committee will examine VHA physician accountability.
39. **VA Senior Executive Service Bonuses.** The committee will examine VA's bonus practices for its Senior Executive Service employees. The committee will review GAO's September 2002 report, *Results-Oriented Cultures, Using Balanced Expectations to Manage Senior Executive Performance* (GAO–02–966), which used VBA as a case study. The examination will focus on discrepancies between rewards and performance.
40. **VA Sourcing Decisions.** The President's Management Agenda encourages government agencies to outsource work that can be accomplished commercially. The committee will

hold a hearing to examine VA's efforts to comply with this goal.

41. **Veterans Preference/VETS–100 Report.** The Department of Labor's Office of the Assistant Secretary for Policy (OASP) and Veterans' Employment and Training Service (VETS) developed a system designed to help veterans determine the type of Federal employment preferences to which they are entitled, the benefits associated with the preferences and the steps necessary to file a complaint due to the failure of a Federal agency to provide those benefits. The committee will review the enforcement of the veterans' preference laws by the Department of Labor. The committee will also review the VETS–100 Report, which companies must file showing the number of targeted veterans in their work force by job category, hiring location and number of new hires. The committee will evaluate the VETS–100 report to determine employer compliance with veterans preference laws.
42. **The Civilian Health and Medical Program of the Department of Veterans Affairs.** There are approximately 160,000 Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) beneficiaries who generate over 1.7 million medical claims. Annual program expenditures are approximately $160 million, with claims totaling around $145 million. The committee will review the effectiveness of program management controls for duplicate claims payments, eligibility verification, and recovery for fraudulent claims payments. The committee will also review how the recently authorized CHAMPVA for Life program is being implemented.
43. **Controlled Substances Security.** The VA IG's Combined Assessment Program Reviews have consistently cited material weaknesses in VA medical center security for controlled substances. Weak security increases the potential for waste, fraud, abuse, and drug diversion. The committee will examine VA efforts to address this issue.
44. **The Uniformed Services Employment and Reemployment Rights Act.** Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), reserve component service members called up active duty have the right to return to their employment upon leaving active duty. In light of the current mobilizations of the reserve components, the committee will examine the effectiveness of USERRA for returning service members.

REPORT TO THE COMMITTEE ON THE BUDGET FROM THE COMMITTEE ON VETERANS' AFFAIRS, SUBMITTED PURSUANT TO SECTION 301 OF THE CONGRESSIONAL BUDGET ACT OF 1974, ON THE BUDGET PROPOSED FOR FISCAL YEAR 2004, MARCH 7, 2003

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 28, 2003

Hon. JIM NUSSLE,
Chairman, Committee on the Budget
House of Representatives, Washington, DC

DEAR MR. CHAIRMAN: Enclosed with this letter is the report of the Committee on Veterans' Affairs on the fiscal year 2004 budget for veterans' benefits and services.

The Committee has carefully reviewed the Administration's budget proposal for the Department of Veterans Affairs (VA). On February 11, 2003, the Committee held a hearing to receive the testimony of the Secretary of Veterans Affairs and veterans service organizations on the Administration's proposed budget, as well as views on the *Independent Budget* proposed by four major veterans organizations. While the Administration has again proposed a substantial increase in the budget for veterans' affairs, there remains a gap between the level of resources it would provide and that needed to meet unprecedented growth in demand for VA health care. There is also a serious backlog of maintenance and repair projects necessary to transform many of our National Cemeteries from neglected graveyards to national shrines.

The Administration's proposed fiscal year 2004 budget requests total resources for the medical care business line of $27.5 billion, a net increase of $2 billion over the fiscal year 2003 level for equivalent accounts; of this $2 billion, only $1.5 billion is appropriated funds. Of the total increase requested in the 2004 budget, about $525 million would come from increased collections. Payments by veterans for VA health care are projected to increase by $187 million due to several proposed policy changes; increased collections from third parties account for $349 million of the $525 million projected increase, with proposed legislative changes accounting for $69 million of this amount. Adoption of these policies would result in a significant reduction in demand for VA health care from veterans who do not have a compensable service-connected disability and who are not poor.

The VA's ability to provide long-term care would be severely impaired by the Administration's proposal to close about 5,000 of its 12,000 nursing home beds. Given the expected number of elderly veterans from World War II and the Korean War who are expected to seek nursing home care over the next ten years, the Committee is strongly opposed to any proposal that would result in the closure of even a single VA nursing home bed.

The Administration's health care budget also is predicated on achieving "management efficiencies" totaling $950 million. Previous VA budgets contained similar proposals, and while the Committee does not wish to discourage efforts to make VA health care more efficient, there is little evidence that such savings have been or will be achieved. Thus, the Committee is reluctant to rely on projections of this magnitude as a substitute for funding veterans' health care.

The Committee observes that funding for veterans' health care has become one of the most contentious topics year after year, and that it is nearly impossible to manage veterans' health care on a rational, business-like basis with the current unreliable funding situation. The Committee is convinced that veterans' health care funding must be put on a more firm foundation that matches funding with the actual number of veterans who seek care from VA. Consequently, the Committee believes that Congress should make a commitment to funding VA health care for enrolled veterans on a fiscally responsible and guaranteed basis, and the Committee recommends that the Budget Committee provide for this funding change in the budget resolution.

For veterans' entitlement benefits, the Administration proposes $33.4 billion in entitlement programs for compensation, pensions, education, vocational rehabilita-

tion and employment, housing, insurance and burial. The Committee recommends legislation that would permit surviving spouses of veterans killed on active duty to retain their VA benefits if they remarry after age 55. Every other Federal survivor benefit permits the continuation of benefits to spouses who remarry after a certain age.

College Board data show the current $900 Montgomery GI Bill monthly rate would need to be $1,496 for a veteran-student to attend a four-year public college as a commuter student. The Committee recommends an incremental increase in basic monthly benefits to $1,200, and elimination of the initial $1,200 participation fee servicemembers must pay. The total first-year cost of these and other benefit enhancements is estimated by the Committee to be $701 million, and the Committee strongly recommends that these benefit improvements be accommodated in the 2004 budget resolution.

The Administration budget also requests $422 million to pay burial benefits to veterans' families, operate 121 National Cemeteries, develop new national cemeteries, expand existing cemeteries, and establish or expand state veterans' cemeteries. The Committee welcomes this initiative, but believes that an additional $65 million is needed to address the $279 million in recently identified cemetery maintenance and restoration projects.

Although the VA has made considerable progress in implementing a number of recommendations made by a task force that studied the benefits claim backlog, the Administration's budget inexplicably does not provide any additional funding to continue implementation of a number of recommendations. The Committee recommends a modest increase of $12 million to implement these recommendations, as well as $17 million to retain existing staffing in VBA's various programs.

We believe the increases recommended by the Committee and more fully justified in the accompanying views and estimates for fiscal year 2004 are necessary to adequately fund veterans programs. We particularly wish to reiterate that Congress must find a better way to fund veterans' health care in order to meet the obligation to care for those who have answered the Nation's call to duty.

We thank the Committee on the Budget for considering our recommendations and look forward to continued discussion on these important issues.

Sincerely,

CHRISTOPHER H. SMITH,
Chairman

LANE EVANS,
Ranking Democratic Member

BACKGROUND AND COMMITTEE RECOMMENDATIONS

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

The Status of VA Health Care.—Beginning in the mid-1990s, the Department of Veterans Affairs accelerated internal reforms of its health care delivery system for veterans, greatly emphasizing primary and managed care, while expanding sites of clinical service. Today, VA health care is widely available to millions of veterans in 1,300 locations, ranging from major urban academic medical centers to rural storefront clinics. VA health care is recognized for its world-class patient safety program and provides veterans a measurable advantage in quality of care. As provided by law, VA manages veterans' access to care through a formal enrollment system. Through outreach VA has enrolled nearly seven million veterans, about five million of whom are regular patients.

While the number of veterans enrolled in VA medical care has increased dramatically, appropriated funding is not keeping pace with the growth in enrollment or the increased needs of elderly veterans. Further, much of VA's capital infrastructure (hospitals and

clinics) is outdated or not receiving adequate maintenance. Many VA health care structures are subject to severe seismic risk and some, in fact, have been damaged by earthquakes in recent years. Some obsolescent facilities need complete replacement.

In July 2002, VA reported to Congress that it estimated that 310,000 veterans were waiting more than six months for initial appointments. By December 2002, that number had been reduced to 236,000, but two-thirds of these were new enrollees, not respondents to the initial data review from July.

The Secretary of Veterans Affairs, the Honorable Anthony J. Principi, on February 11, 2003, presented the VA's budget request for fiscal year 2004 to the Committee. In his testimony, the Secretary observed: "[t]he demand for VA health care has risen dramatically in recent years. From 1996 to 2002, the number of patients to whom we provided health care grew by 54 percent. Among veterans in Priority Groups 7 and 8 alone, the number treated in 2002 was about 11 times greater than it was in 1996."

The Department has confirmed to the Committee that in the current fiscal year, it projects a shortfall in resources of $1.9 billion to meet the anticipated needs for medical services of those already enrolled. At the Committee's hearing on the state of the VA health care system on January 29, 2003, the Under Secretary for Health, the Honorable Robert H. Roswell, testified that to adequately meet the needs of VA's core constituency of service-disabled and poor veterans, the Veterans Health Administration would require annual budgetary increases of 13 to 14 percent. The Department received a record health care funding increase of 11 percent from the omnibus appropriations bill signed by the President on February 20, 2003, Public Law 108–7. This increase, however, did not address the reported $1.9 billion shortfall.

The FY 2004 budget proposes closing 5,000 VA nursing home beds at a time when older veterans' needs for nursing home care are growing. VA would substitute non-institutional alternatives, as well as state and community nursing home beds for these VA nursing home beds, but does not request sufficient resources to match the level of capability eliminated by removing these beds from service. VA also proposes that Congress double VA's prescription copayment for some veterans. The Secretary of Veterans Affairs already has the authority to increase copayments when necessary without intervening action by Congress, provided the copayment does not exceed the actual cost for these drugs. In February 2002, VA more than trebled the prescription copayment amount. The Committee does not recommend additional increases.

The Administration proposes that Congress impose an annual enrollment fee of $250 on Category 7 and 8 veterans. The Committee is concerned about ramifications of such a policy and is opposed to its enactment as a solution to VA's recurring financial problems. Other alternatives to resolving VA's funding deficits should be exhausted before imposing this additional cost on veterans. Proposals designed to discourage veterans' use of services could prove unnecessary, for example, with passage of a meaningful drug benefit. The Committee recommends an additional $773 million to account for needs associated with retention of nursing

home beds, expansion of alternative programs and maintaining veterans' access to care.

The Committee notes that the Secretary of Veterans Affairs has announced an agreement in principle with the Secretary of Health and Human Services to execute an agreement under the Medicare Part C program so that VA facilities with available capacities may participate in a "VA+Choice" managed care plan for a small number of Priority 8 veterans now temporarily excluded from direct enrollment in VA health care. Also, over a quarter million veterans currently enrolled in VA care are simultaneously enrolled participants in the military TRICARE program; the VA should actively seek greater cooperation from the Department of Defense in coordinating benefits for military retirees who are enrolled as veterans in the VA health care system.

If a private or other public health insurance plan covers a veteran, whether through a private employer or the Federal government, VA should have access to that information. The Committee supports the Administration's proposal to make accurate insurance disclosure a requirement and expects to report legislation providing this authority along with other measures, such as deeming VA a preferred provider for purposes of receiving payment from managed care organizations. These new authorities would aid VA's collections program.

Inflation.—The medical care component of the Consumer Price Index (CPI) continues to escalate, outpacing all other items in the CPI for the past seven years. The Bureau of Labor Statistics (BLS) released inflation rate data in December 2002 that showed the overall health care inflation rate was 5 percent for calendar year 2002. Within that level, hospital care inflation was the highest single component at 10.2 percent, followed by prescription drugs and medical supplies at 6 percent. An experimental price index Congress directed BLS to develop also reveals that persons 65 years of age and over are spending more than twice as much on health care as the total population. During the Committee hearing on January 29, 2003, Dr. Roswell testified as follows:

> One of the things that we have determined is that in a typical year, our expenses increase 6 to 7 percent by new enrollment in Priorities 1 through 7. In addition to that [enrollment growth], increased utilization, because the veteran population ages, and health care expenditures and health care utilization increase. With every increasing year of age, particularly in an elderly population, we have another 2 to 3 percent incremental cost every year. So a 7 percent increase associated with enrollment in our highest priority groups, coupled with another 2 to 3 percent of increased utilization costs, coupled with a conservatively estimated health care inflation rate of 4.5 or 5 percent, yields a 13 or 14 percent per year increase in the money available to take care of just our core population of veterans.

Rising Pharmaceutical Costs.—VA expects to spend about $4.4 billion this year on its pharmaceutical programs. VA's budget for prescription drugs has nearly doubled over the past three years

and, at the current rate of growth, will exceed $7 billion by the end of fiscal year 2008. A budget growth of such magnitude stems from both higher utilization of the program by veterans and increased use of new drugs. From December 2000 to December 2002, the Veterans Health Administration reported that enrolled veterans increased from 4.7 million to 6.7 million, with about 4.7 million expected to be active consumers of VA health care services. VA should request adequate funding to ensure that it remains capable of providing state of the art pharmaceutical drug treatment.

Capacity and Demand for Long-term Care Services.—Public Law 106–117, the Veterans Millennium Health Care and Benefits Act of 1999, expanded VA's mission to provide and maintain specialized capacities to care for aging veterans. The Committee has been in regular communication with the Secretary concerning a noted decline in VA nursing home beds (approximately 2,000 beds). On May 8, 2002 the Secretary made a commitment to restore these beds to their prior level, provided that Congress appropriates an increase in VA's medical care appropriation for fiscal year 2003. In the omnibus appropriation approved by Congress on February 13, 2003, VA received $1.1 billion more than what was requested by the President for the period.

The Committee is disappointed by the Secretary's proposal in this budget to close thousands of additional VA nursing home beds. VA's own long-term care model, based on the medical needs of its users, indicated a need for 17,000 new nursing home beds by 2020. The Committee does not believe that VA can replace 5,000 nursing home beds with outpatient programs for elderly, chronically ill veterans.

VA has never fulfilled the promise of its landmark mid-1980's study, *Caring for the Older Veteran*. That study recommended large increases in both inpatient and alternative programs, such as respite, hospice, adult-day and home-based care, so that VA could approach the needs of World War II veterans with meaningful, health and end-of-life care programs, on both institutional and non-institutional bases. This has not been achieved.

In order to aid the Department in maintaining its current nursing home bed level, the Committee recommends that VA's budget request be augmented by an additional $297 million. Furthermore, VA should fund effective alternatives to long-term care and reopen long-term care nursing beds which have been closed.

Health Care for World War II Filipino Veterans.—Last year, the House approved legislation to authorize VA to provide health care to certain Filipino World War II veterans now legal residents or citizens of United States. The Administration supported this provision and the Secretary stated that VA would absorb the $12 million estimated cost of implementation in the Departments budget. The Committee recommends an additional $12 million to support this proposal.

Mental Health Programs for Disabled Veterans.—Over the past five years, the Department has shifted resources and programs away from institutional mental health care. However, as VA planned new community-based intensive case management programs, it was understood that sufficient resources would be pre-

served to provide an appropriate level of care for VA's chronically mentally ill patients.

The VA Advisory Committee on Seriously Mentally Ill Veterans estimates the shift in resources from mental health programs may be as much as $600 million. VA has dramatically expanded its primary care clinics. While the Committee certainly supports the primary care clinics, VA should partially restore lost support for mentally ill veterans. Again this year the budget request does not address this need. The VA Program Evaluation Resource Center maintains a registry of veterans suffering with psychosis and bipolar disorder that contains 200,000 individuals. These veterans cannot be sustained medically without intensive efforts. Due to the nature of their illnesses, most cannot speak for themselves. Accordingly, the Committee recommends a number of funding adjustments in the following areas:

1. *Mental health intensive case management teams*—The Committee understands that VA presently operates about 50 intensive case management teams assigned to aftercare of VA patients with serious and chronic mental illness. Some of these teams that already had a minimal staffing complement have recently suffered reductions in staff. A fully functioning team's annual average direct cost (primarily in staffing) is approximately $400,000. The Committee recommends an additional $40 million for fiscal year 2004 to fund 100 additional teams for a total of 150 Mental Health Care Intensive Care Management teams to provide vulnerable veterans better follow-up care and improved coordination of community based services.

22. *Mental health in community primary care*—The Department operates approximately 650 community based outpatient clinics nationwide. When VA made the decision to provide better access to community-based primary care, it did not sufficiently provide for mental health needs in these clinics. Approximately half of these facilities offer dedicated mental health services, but the remaining sites do not. The addition of qualified mental health staff to support effective professional services in these settings is a way to ensure that mental health care becomes more accessible and convenient. Adding a small cadre of mental health professionals at approximately 200 locations (according to their need) would provide a more complete service in VA community-based clinics. A $40 million enhancement to mental health capacity would also give VA better options to care for not only the de-institutionalized chronically mentally ill, but also to provide new services to veterans with acute mental health needs who may not otherwise receive adequate care.

3. *Substance-abuse programs*—VA Currently cares for 130,000 veterans with substance abuse problems. Over the past decade, VA shifted its drug treatment programs from residential care to ambulatory-based programs. VA has acknowledged in its report under section 1706 of Title 38, United States Code, that capacity in the substance-abuse disorder programs is declining. The Committee believes these programs should be restored. Opioid-substitution programs are insufficiently available in VA facilities and some metropolitan areas do not provide enough care to meet the needs of the

veteran population. The Committee recommends $20 million in additional funds to address these shortcomings.

Medical Care Collections Fund.—VA is authorized to bill health care insurers for covered non-service-connected care provided to veterans. The Department projects medical care collections for 2004 to be $2.1 billion. This would be the largest one-year increase in collections in the program since Congress authorized it in 1986—32 percent above the estimated end-of-year collections for 2003. The Department is attempting to achieve this remarkable goal by implementing a revenue cycle improvement plan and collecting better, verifiable insurance information sooner in the process of patient care. VA also is pilot testing a business plan to reconfigure the revenue collection program with contracted efforts and commercial collections systems using standard practices.

The Committee supports the Department's efforts at improving performance in first- and third-party collections, but the Committee remains skeptical that VA can achieve all it promises in fiscal year 2004. If VA fails to achieve its goal of such a significant one-year increase, veterans will be denied care to the extent of that failure. The Committee is unwilling to assume VA will be successful in increasing collections as promised. Assuming the Department can accomplish a 10 percent increase in collections in fiscal year 2004 over the current estimate for this year, the Committee recommends that $363 million be restored to Medical Care to account for the difference between VA's budget level and the practical effect of its actions.

Management Improvements and Efficiencies.—The Department's 2004 budget proposes to achieve management savings of $950 million, three times the level of savings projected for fiscal year 2003, from management efficiencies and improvements. VA's plans include implementing a competitive out-sourcing plan, reforming the health care procurement process, increasing employee productivity, increasing health resources sharing with the Department of Defense, and continuing the trend of shifting patients from inpatient to outpatient levels of care.

The Committee concludes that VA will be able to achieve only about a quarter of the management savings it has proposed in this budget. Therefore, the Committee recommends an additional $625 million for veterans' medical care.

Homelessness Among Veterans.—With the passage of the Homeless Veterans Comprehensive Assistance Act of 2001, the Committee enunciated a goal of ending chronic homelessness in the veteran population within a decade. More than a year since enactment of this law, the Committee is not satisfied with VA's responsiveness to the mandates of this Act. Among some of the most effective activities that need additional funding are VA homeless domiciliaries; VA's grant and per diem program for community providers; and the so-called "Health Care for Homeless Vets' initiative." VA also funds several programs in mental health and coordinates with other Federal agencies (principally the Departments of Housing and Urban Development, and Labor) to address veterans' homelessness. VA has yet to implement a prison and institutional outreach-transition initiative and a special needs authority provided in the Act.

The Department has made a $5 million commitment to provide health care services and case management in a VA-HUD-HHS joint venture that would open 300–400 new beds in sites yet to be announced. VA is prepared to commit $10 million to provide dental services to homeless veterans as authorized in the Act. The Department has not made a transitional housing loan as authorized by 1998 legislation despite a commitment to do so. The Committee rejects the VA proposal that Congress convert the transitional housing loan program to a grant program.

The Act authorized funding of $75 million for the several in-house homeless assistance programs for fiscal year 2003, but VA is requesting no funding in its budget. Also, the Act authorized $5 million for homeless domiciliaries in fiscal year 2003, and an additional $5 million in 2004. VA made no request for these funds. The Committee recommends that $75 million be added to the VA's budget to address the still unmet needs of about one-quarter million homeless veterans.

Medical and Prosthetic Research.—The Department carries out an extensive array of research and development as a complement to its affiliations with medical and allied health professional schools and colleges nationwide. While these programs are specifically targeted to the needs of veterans, VA research has defined new standards of care that benefit all Americans. Among the major emphases of the program are aging, chronic diseases, mental illnesses, substance-use disorders, sensory losses, and trauma-related illnesses. VA's research programs are internationally recognized and have made important contributions in virtually every arena of medicine, health, and health systems.

The Secretary has requested a 2004 budget for VA Medical and Prosthetic Research of $408 million, an increase of $8 million or 2 percent over the fiscal year 2003 level. The Committee strongly supports an increase in the research account to $460 million (15 percent) in 2004, as recommended by both the *Independent Budget* as well as the *Friends of VA Research* coalitions. The Committee believes this additional funding is needed in VA's research programs to keep pace with funding developments in the Federal biomedical research community. A 16 percent funding increase was provided in the 2003 omnibus appropriations bill for the National Institutes of Health. Additional funding of $52 million in VA biomedical research in fiscal year 2004 would provide coverage for inflation and permit a small program expansion.

Emergency Preparedness in Bio-Terrorism.—The Department of Veterans Affairs Emergency Preparedness Act of 2002 mandated VA to establish four national emergency preparedness centers and an educational curriculum for medical students and professionals for response to weapons of mass destruction. The Act authorized $20 million per year for the support of the centers. Due to unavailability of funds, the Department has yet to proceed with establishment of the centers. These centers are critical to enable VA to aid the Department of Defense and other Federal agencies to contend with the war on terrorism, and even more importantly, to aid VA in preparing itself to deal with the effects of the use of weapons of mass destruction. The Committee urges the Committee on the

Budget to include $20 million to support the establishment of these new bio-terrorism research centers. The Act also authorized the establishment of an education program to be carried out through VA. The education and training curriculum would include a program to teach current and future health care professionals how to diagnose and treat casualties who have been exposed to chemical, biological, or radiological agents. The Committee also urges the Committee on the Budget to include an additional $5 million to support the requirement.

Medical Administration and Miscellaneous Operating Expenses.—For national program administration, the Secretary proposed an increase in the Medical Administration and Miscellaneous Operating Expenses (MAMOE) account of $9.4 million in fiscal year 2004. The budget requests a total of $87.5 million in MAMOE to provide improved corporate leadership and support to VHA. Specifically, by providing VHA a basis to increase staffing in national program administration from the fiscal year 2003 estimated level of 545 to a planned 588, this increase will have a beneficial effect on the development and implementation of policies, plans, and broad program activities. The increased funds are intended to help complete the restructuring of the Office of the Under Secretary for Health which began in 2002. Part of this restructuring is focused on the Capital Assets Realignment for Enhanced Services (CARES) process and the creation of a new Deputy Under Secretary for Health Policy to better coordinate federal health care benefits between various agencies, and to enhance the prospects for VA-DOD sharing. The Committee supports $87.5 million as requested for MAMOE.

CARES and the Continuing Needs of Veterans.—VA is continuing its initiative to identify the most effective and efficient use of its infrastructure in health care delivery to veterans. The Committee held a number of hearings during the 107th and earlier Congresses dealing with VA's capital assets. VA hospitals were primarily built or converted after World War II to rehabilitate and care for wounded, sick and traumatized soldiers, sailors, airmen, and marines. For the past thirty years VA has gradually changed its health care approach from an institutional provider of physical medicine and rehabilitation, long-term psychiatry, and restorative care to that of an outpatient and acute primary care provider to serve an older population with chronic illnesses. The capital infrastructure built for its previous approach does not easily lend itself to VA's new delivery model.

Even though VA's CARES process will take several years to complete, the Committee strongly believes that VA's most pressing capital infrastructure needs must be addressed. Due to the CARES process, in recent years VA has proposed few construction projects.

Outside consultants and VA's own reports show a growing need and rising backlog of major and minor projects. For example, a 1998 Price Waterhouse report suggested VA, in proportion to the value of its $35 billion infrastructure, should be investing in the range of $700 million to $1.4 billion annually on replacement and modernization projects. A second consultant report disclosed dozens of VA patient care buildings at the highest level of risk for earthquake damage or even collapse. Another report revealed $57 mil-

lion in needed projects to protect women's privacy in VA health facilities.

Major Construction Projects.—In the 107th Congress, the Committee authorized nearly $800 million in major medical facility construction needs, but little of this funding was appropriated. Last year, the Department advised Congress of its major construction priorities, as follows:

1. *Palo Alto, CA*: This project would include seismic corrections, correction of patient privacy deficiencies, correction of fire safety deficiencies, and functional improvements for the Mental Illness Research, Education and Clinical Center.
2. *Cleveland, OH*: This project would include the replacement of all mechanical, electrical, and architectural systems installed in this facility built in 1961.
3. *San Francisco, CA*: This project would seismically upgrade the main inpatient building at the San Francisco VA Medical Center.
4. *Anchorage, AK*: This project would consolidate the Alaska Veterans Affairs Health Care System and Regional Office at Elmendorf Air Force Base, Alaska.
5. *West Los Angeles, CA*: The upgrade of Building 500 would strengthen braced frames below the second floor, strengthen collector plate connections to the braced frames, and add new collector plates to transfer loads in the central core area to the braced frames located at the wings.
6. *West Haven, CT*: This project would renovate three inpatient wards to correct for patient privacy inadequacies as well as consolidate associated support services.
7. *Long Beach, CA*: Building 7 of the VA Long Beach Medical Center would be seismically upgraded and retrofitted.
8. *Palo Alto, CA*: Renovations would include seismic corrections, correction of fire safety deficiencies, and functional laboratory improvements in areas formerly occupied by inpatient psychiatric wards. Building 205, Menlo Park campus, would be demolished. Most research personnel would be relocated.
9. *Tampa, FL*: This project would relocate three Spinal Cord Injury (SCI) inpatient wards and ancillary support functions to a new SCI building.
10. *VISN 4 (PA, WV, NJ, DE, OH)*: This multi-facility project would renovate and expand outpatient clinics at seven different medical centers. Six of the eight projects would renovate and expand primary and specialty care clinic areas. The other two projects would expand outpatient ambulatory surgery and outpatient day programs.
11. *Beckley, WV*: This project would consist of design and construction of a nursing home care unit with 120 beds.
12. *Lebanon, PA*: This project would reconfigure two floors at the VAMC which is currently unfit to house inpatients. A new elevator shaft and entrance would be built to meet the needs of the patients.
13. *San Diego, CA*: This project would seismically strengthen the Medical Center by adding two new exterior unbonded braced frames at the end of each building wing, replacing the

braces in all of the existing braced frames with new unbonded braces, and adding new collector elements.

14. *Hines, IL*: A blind rehabilitation center (authorized and appropriated in fiscal year 2002) would be relocated and modernized.

15. *San Juan, PR*: The air conditioning would be repaired and overhauled in conjunction with asbestos abatement and further seismic protections in three areas in the existing basement, first, and second floors.

16. *VISN 6 (WV, VA, NC)*: This multi-facility project would renovate five VAMCs' Mental Health and Spinal Cord Injury/Dysfunction Units. The project includes privacy improvements, hazardous materials abatement, window replacement, and HVAC and utilities upgrading.

17. *VISN 4 (PA, WV, NJ, DE, OH)*: This multi-facility, VISN-wide project would renovate and upgrade seven major VA medical centers for patient safety and patient/employee welfare.

18. *Atlanta, GA*: The renovations would correct patient privacy issues, improve staff efficiencies, improve the functional layout, and meet ADA requirements and female patient issues.

19. *Tampa, FL*: This project would provide approximately 1,170 additional parking spaces for the Tampa VA Medical Center.

20. *Washington, DC*: This project would allow for three new clinics to improve patient flow between primary care and specialty care clinics.

While the House passed an authorization measure supporting the completion of many of these high-priority projects, only the Hines, IL project on the above list received appropriations in fiscal year 2002. No funds for any of the other projects were appropriated in fiscal year 2003.

The Committee understands that the sale of the underutilized VA Lakeside hospital in Chicago was expected to be a direct source of funding to improve the West Side VA facility as a key acute inpatient facility for the veterans of Chicago. VA indicates in the budget that CARES will provide the funding for the project which is now estimated at $98.5 million, considerably less than the previous estimate.

The Colorado University School of Medicine plans a major relocation of all its facilities to the site of the closed Fitzsimons Army Hospital. VA is considering whether to recommend replacement of the Denver VA Medical Center, a 50-year-old structure now co-located with the Colorado medical school as a part of that relocation. These two meritorious projects alone, the West Side tower and the new Denver VA Medical Center, are estimated to cost nearly $500 million.

In addition, there are many other worthy projects high on VA's established priority list that lack funds. Many are medical centers that will not be affected significantly by CARES and that are needed to continue providing good health care to veterans. The Committee will further explore these needs and will recommend projects to meet them. Consequently, the Committee recommends an additional amount of $500 million for the major medical facilities construction account in fiscal year 2004.

State Home Grants Programs.—In 47 states, 114 homes for veterans provide nursing, domiciliary care, and adult day care to over 21,300 veterans whose care is coordinated with the Department of Veterans Affairs. States commit to pay 35 percent of the construction costs of projects for state home facilities, and to bear most of the cost of facilities operations and health care that exceeds amounts contributed by VA. Fiscal year 2003 applications totaling $287 million for new construction and renovation grants to state veterans homes are pending in the Department. A new round of requests will be solicited in April 2003 for fiscal year 2004 awards.

Congress revised the state home program in Public Law 106–117 to provide a higher priority for critically needed renovations in existing state homes, especially those projects involving fire and life safety improvements. Prior to enactment of P.L. 106–117, these long-delayed projects were given a lower priority for funding than grants for constructing new state home beds. Although VA has implemented the provisions of the Act affecting the ranking criteria for funding projects, renovation projects remain 63 percent of the overall backlog of unfunded projects. The budget requests $102 million to support the grant program, a two percent increase over the fiscal year 2003 appropriated level. The Committee recommends additional funding of $30 million to support a more adequate VA response to the growing demand for long-term care facilities and to modernize and renovate existing facilities in the states' inventories. Provision of these funds will support the establishment of approximately 360 new nursing home and domiciliary beds in state veterans' homes.

VETERANS BENEFITS ADMINISTRATION

Compensation and Pension Service.—The ability of VA to provide accurate, timely and quality benefits delivery is dependent on a number of factors, including an adequate number of properly trained staff, effective business process and computer modernization initiatives, accountability measures, inter-departmental cooperation between the various VA administrations and military service departments, including the National Personnel Records Center and the Center for Unit Records Research, and assistance from the veterans service organizations. Entitlement benefits are provided to 2.5 million veterans, more than 316,000 survivors, and 1,115 children.

The President is requesting $29.9 billion and 8,586 FTEE to support the compensation and pension entitlement benefits programs. This represents a $3.4 billion dollar increase over the enacted fiscal year 2002 level, but a decrease of 190 FTEE is also proposed. The Committee is concerned that a decrease in FTEE could detract from continued improvements in claims processing. The Committee notes that a number of VBA employees have been called to active military service and that additional activations may adversely impact claims processing.

Both the President and the Secretary have made timeliness and quality in claims adjudication a top priority, and have set a goal of adjudicating claims within 100 days by the summer of 2003. In December 2002, the average days pending for a rating-related claim were 168, reduced from a high of 203 days in January 2002.

Additionally, the reported national accuracy rate increased from 78 percent in 2001 to 80 percent in fiscal year 2002, with a target of 90 percent in 2004. VBA decreased its claims workload from 344,183 rating-related claims at the end of September 2002 to 328,566 as of December 2002.

In October 2001, the VA Claims Processing Task Force made 34 recommendations to improve claims processing. Of the 66 action items, 38 have been implemented—28 completely and 10 which are being monitored to ensure that the goals of the recommendations are being met. The Committee recommends $12 million for VBA to implement the medium and long-term recommendations, to include hiring nurses and other medically-trained individuals, including veterans who have worked as medical corpsmen or in similar military specialties, to work on compensation and pension claims, to establish a more permanent claims adjudication training cadre, and to out-base rating specialists at 70 of the largest VA medical centers.

VBA Staffing for all Business Lines.—The Committee commends VBA for its recent improvements in claims adjudication; however, the Committee remains concerned that FTEE levels across the board are actually below the fiscal year 2002 level. The Committee recommends an additional $17 million to sustain employment and other critical operational process improvements within VBA's major business lines: compensation, pensions, education, housing, vocational rehabilitation and employment, insurance and burial.

Regional Office Staffing.—The Committee is concerned about the apparent lack of a long-term strategy for addressing the claims needs of veterans served by poorly performing regional offices. The Committee expects that VA will clearly articulate a plan for addressing this critical problem and will effectively use any funding for additional personnel to improve performance. The Committee also expects that VA would closely monitor the quality and productivity of any regional office that receives additional funding or staff.

Homeless Veterans Coordinators.—Public Law 107–95 requires the Secretary to ensure that there is at least one full-time employee assigned to oversee and coordinate homeless veterans programs at each of the 20 regional offices that the Secretary determines have the largest homeless populations within the regions of VBA. The Committee understands that, although the offices have been designated and personnel nominally assigned as coordinators, some of these employees have multiple responsibilities and are not able to devote full-time efforts to addressing the needs of homeless veterans. The Committee expects that employees will be assigned to perform the oversight and coordination activities mandated by Public Law 107–95 on a full-time basis and that general operating expense funding for fiscal year 2004 will be used to support the positions.

NATIONAL CEMETERY ADMINISTRATION

The President is requesting $156 million for (1) National Cemetery Administration (NCA) operation and maintenance of 124 national cemeteries and 33 soldiers' and sailors' lots in private or municipal cemeteries, monument sites and confederate cemeteries,

and (2) VBA adjudication of veterans' death benefits. The President's budget request supports 1,588 FTEE in NCA—an increase of 69 FTEE from the Fiscal Year 2003 request—and 177 FTEE in VBA, an increase of two FTEE over last year's request.

The President is requesting $108.9 million to develop new national cemeteries, create additional gravesites at existing national cemeteries, and establish/expand state veterans cemeteries. The funds would be used to develop and/or expand cemeteries in the following locations:

- Detroit area, phase one development of a new national cemetery;
- Ft. Snelling, Minnesota, expansion of and improvements to national cemetery; and
- Barrancas National Cemetery, Florida, expansion of and improvements to national cemetery.

The President's request does not provide funding for 928 full-scale cemetery restoration and repair projects, estimated to cost $279 million, or funding for development of new national cemeteries beyond those currently in development in Pittsburgh, Sacramento, Southern Florida, and Atlanta. A study mandated by Public Law 106–117 of future burial needs determined that based upon 1990 census data, NCA would need to develop 31 new cemeteries by 2020 to meet the burial needs of veterans and their survivors. NCA is currently reevaluating that recommendation with recently available data from the 2000 census.

The National Cemetery Administration (NCA) maintains almost 2.5 million gravesites at 124 national cemeteries in 39 states, the District of Columbia and Puerto Rico. Of these, 61 have available, unassigned gravesites for burial of both casketed and cremated remains; 26 will only accept cremated remains and the remains of family members for interment in the same gravesite as a previously deceased family member; and 33 are closed to new interments, but may accommodate family members in the same gravesite as a previously deceased family member.

Occupied graves maintained by NCA are projected to increase from 2,380,500 in fiscal year 2000 to over 2,998,100 in 2008. VA is continuing to develop new cemeteries in areas not presently served by NCA: Atlanta, Georgia; Detroit, Michigan; Fort Sill, Oklahoma; Miami, Florida; Pittsburgh, Pennsylvania; and Sacramento, California. However, an independent study—mandated in Public Law 106–117—of veterans' burial needs based on VA planning guidelines found that VA should establish 31 additional cemeteries through 2020 to provide service to 90 percent of veterans within 75 miles of their homes. This assumed a veteran population threshold of 170,000. This study was based upon data from the 1990 census. The Committee understands that the report is being updated to reflect 2000 census data. Upon completion of that update, the Committee may direct the Secretary to begin the planning phase for the construction of seven new veterans' cemeteries in those areas, with a veteran population threshold of 150,000, that are deemed most in need between 2005 and 2020.

The Committee recommends a five-year, $300 million restoration and improvements project at existing cemeteries. The Committee

recommends an initial, first-year appropriation of $65 million for fiscal year 2004 to address this problem.

BOARD OF VETERANS' APPEALS

The President is requesting $50.4 million and 448 FTEE to support its operations at the Board of Veterans' Appeals (the Board). In fiscal year 2002, the Board received 28,158 appeals and decided 17,231 appeals: 27.7 percent were granted in the veterans' favor, 19.3 percent were remanded to a regional office for further development, and 49.9 percent were denied. The Committee recognizes that due to a number of factors, including the large number of remands following enactment of legislation mandating the VA's "duty to assist" claimants, the number of appeals decided during fiscal year 2002 was unusually low. Based upon new appeals filed during 2002, the Committee expects that the number of decisions will return to more historic levels (between 30,000 and 40,000), assuming adequate staffing at the Board during future fiscal years.

During the past year, the Board has begun to assist in developing some claims rather than remanding all of them to the regional offices. The Board has converted 31 attorney positions to support staff positions to staff the Evidence Development Unit. It appears the loss of these attorneys has had a significant impact on the Board's capacity to produce final decisions in a timely manner. According to the Fiscal Year 2002 Report of the Board Chairman and the Administration's budget request, without additional FTEE, the Board will not be able to keep pace with the additional appeals it receives. With current staffing and a 25 percent productivity increase projected in the budget request, the Board is expected to develop a backlog of 6,000 to 8,000 appeals per year. However, no additional funding has been requested. The Committee expects that the Board will manage its operations to fulfill its primary function of deciding administrative appeals without developing an unacceptable backlog.

DEPARTMENT OF LABOR

VETERANS' EMPLOYMENT AND TRAINING SERVICE

The Jobs for Veterans Act, Public Law 107–288, redesigned the nationwide delivery system of veterans' employment and training services based on themes of incentives, results, accountability, and flexibility. In early December 2002, the Department of Labor (DOL) established a comprehensive work group of state and federal representatives to draft a broad plan for implementing the new law. The Committee commends this prompt action.

The states reported an average Entered Employment Rate (percentage who register for work with the Job Service or a One-Stop Career Center and gain employment) for veterans for the first three quarters for fiscal year 2002 (October 1, 2001—June 30, 2002) of 41 percent. For fiscal years 1999, 2000, and 2001, the Entered Employment Rate for veterans averaged about 30 percent. The Committee views the improvement in Entered Employment Rate as a promising start.

The most recent DOL-published unemployment rate data are as follows:

Average 2002 Unemployment Rates for Male and Female Veterans

Age	Male Veterans	Female Veterans
All Ages	4.7%	5.0%
20–24	10.8%	13.3%
25–34	5.7%	5.5%
35–44	5.3%	5.0%
45–54	4.6%	3.4%
55–64	4.2%	2.5%

Average 2002 Unemployment Rates for Black and Hispanic Veterans

Male/Female Black/Hispanic	All Ages	20–24
Black Male	7.0%	17%
Black Female	6.6%	23.9%
Hispanic Male	4.7%	8.7%
Hispanic Female	9.9%	21.6%

Further, according to the Bureau of Labor Statistics, 50.7 percent of all disabled male veterans were in the labor force in August 2001. The unemployment rate for disabled male veterans was 4.4 percent. The unemployment rate for "special" disabled male veterans (rated at least 30 percent disabled by VA) was 8.5 percent. The Committee notes Public Law 107–288 authorizes the Secretary of Labor to create a "weighted" placement system that provides greater job placement credit for harder-to-place veterans, such as those who are disabled or have other unique needs.

The Administration is requesting $219,993,000 for VETS for fiscal year 2004: $162.415 million for state grants for Disabled Veterans Outreach Program Specialists and Local Veterans Employment Representatives, $29.028 million for federal program administration, $2 million for the National Veterans' Employment and Training Services Institute (NVESTI), $19 million for the Homeless Veterans' Reintegration Program (HVRP), and $7.55 million for the Veterans Workforce Investment Program. The fiscal year 2003 appropriation for VETS is $214,212,000. The Committee recommends an additional $1 million for the NVESTI. Congress authorized funding of $50 million for HVRP in Public Law 106–117.

The Committee believes that the HVRP is one of the most cost effective job placement programs in the Federal government. During fiscal year 2002, DOL competitively awarded 102 grants: 43 to non-profit organizations, 11 to faith-based organizations, and the remainder to state and local agencies. These grants resulted in the enrollment of 12,142 homeless veterans in the program. Of those enrolled, 6,605 successfully entered employment, despite in many cases having to overcome major obstacles to being employable. The Committee accordingly recommends an additional $31 million for HVRP.

LEGISLATION THE COMMITTEE MAY REPORT WITH DIRECT SPENDING IMPLICATIONS

Montgomery GI Bill.—The current Montgomery GI Bill (MGIB)-Active Duty basic benefit is $900 per month, effective October 1, 2002. This benefit increases to $985 per month effective October 1, 2003, per Public Law 107–103, enacted December 27, 2001. The Committee recommends an increase in the MGIB to $1,200 per month effective October 1, 2004. Against the current baseline, the Committee estimates this measure would cost about $405 million in 2004, and $2.63 billion over five years. This increase would represent an interim step toward implementing the bipartisan Servicemembers and Veterans Transition Assistance Commission recommendation for an MGIB that pays tuition, fees, and a monthly subsistence allowance, thus allowing veterans to pursue enrollment in any educational institution in America limited only by their aspirations, abilities, and initiative.

Based on data from the College Board's "Trends in College Pricing for the 2002–2003 Academic Year," the Committee concludes that the current monthly basic MGIB benefit would need to be $1,496 per month for a veteran-student to be able to pay the average tuition and expenses as a commuter student at a four-year public college for academic year 2002–2003. The College Board's 2002–2003 academic year statistics reflect that average annual tuition and fees, books and supplies, room and board, transportation and other expenses for attending a four-year public college amount to $13,463 for a commuter student and $12,841 for a student who lives on campus. Four-year private institutions cost $27,695 and $27,677, respectively. With the current basic MGIB annual benefit of $8,100, however, a veteran is expected to pay tuition, fees, room and board, and other living expenses during the academic year. The disparity between these ever increasing costs and a veteran's ability to pay for them using the MGIB benefits seems clear.

The Committee also recommends repeal of the current $1,200 pay reduction under the MGIB-Active Duty program. The Committee estimates the cost of the repeal would be $227 million in the first year and $1.18 billion over five years. This repeal was a recommendation of the Congressional Commission on Servicemembers and Veterans Transition Assistance. The Committee notes the MGIB is the only form of federal student financial aid in which the student is required to furnish $1,200 in cash "up-front" to establish eligibility for the program.

Congress has not updated the on-the-job training and apprenticeship programs under the MGIB and other VA educational assistance programs essentially since World War II. The Committee may report legislation to update this program to reflect on-job training and apprenticeship in business and industry today. Such legislation may incur limited costs against the baseline of $3 million or less per year.

Option of $50 monthly MGIB pay reduction.—A servicemember's pay is reduced $100 per month for the first 12 months of active-duty service to establish eligibility for the MGIB. The Committee views the $1,200 as a burdensome fee that discourages veteran participation in the program. No other federal education program

charges such a fee. The Committee recommends legislation to give servicemembers the option of a pay reduction of $100 per month for 12 months or $50 per month for 24 months. The Committee estimates the cost to be $101 million in 2004 and $101 million over five years.

Access to Entrepreneurship.—The Committee recommends legislation to help veterans start small businesses. The legislation would: (1) allow veterans to use VA education benefits to enroll in non-credit small business courses sponsored by Small Business Development Centers and others, (2) liberalize current law language to make it easier for graduates of a VA vocational rehabilitation program to go directly into business for themselves, and (3) make revisions to current law to allow disabled veterans a greater opportunity to compete for contracts with the Federal government. The Committee estimates costs of $2 million or less per year.

Dependency and Indemnity Compensation for Surviving Spouses Who Remarry after Age 55.—Dependency and Indemnity Compensation (DIC) provides a partial substitute for the economic loss suffered by the survivors upon the service-connected death of a veteran. For a survivor to be eligible, the veteran must have died during military service, from a service-connected disability, or have had a service-connected disability that was rated 100 percent for 10 years prior to death from a non-service-connected condition. DIC terminates upon the remarriage of a surviving spouse, although benefits may be restored in the event that the subsequent remarriage ends in death or divorce. DIC is the only federal annuity program that does not allow a surviving spouse who is receiving compensation to remarry at an older age and retain the annuity. Public Law 107–330 provided that a surviving spouse, upon remarriage after attaining age 55, would retain health insurance under the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). The Committee recommends legislation to allow a surviving spouse who remarries after age 55 to retain DIC, education, and home loan benefits. In 2002, the Congressional Budget Office estimated the cost of this eligibility change to be $38 million in 2003, $368 million over five years, and $779 million over ten years.

Vocational Training for Non-Service-Connected Pension Recipients under Age 50.—The non-service-connected disability pension program provides financial help to more than 348,000 low-income veterans. To be eligible, veterans must have served on active duty for at least 90 days including at least one day of wartime service, and be totally and permanently disabled for employment purposes as a result of disability not related to their military service, or over age 65. To ensure the availability of vocational training to newly eligible VA non-service-connected pension recipients age 45 or younger, the Committee recommends legislation to reinstate a pilot program that expired in December 1995. The program would afford pension recipients the opportunity to receive training, along with a stipend, in order to return to the job market rather than requiring these veterans to rely solely on the VA pension program for their financial well being. The Committee estimates the cost to be $1 million in the first year and $9 million over 5 years.

Accrued Benefits for Veterans' Survivors.—Current law restricts a surviving spouse to receiving no more than two years of accrued benefits if a veteran dies while a claim for VA periodic monetary benefits (other than insurance and servicemen's indemnity) is being processed. VA is making efforts to lower claims processing times, but it can sometimes take more than two years to correctly determine and adjudicate a claim for disability compensation or non-service-connected pension benefits. The Committee recommends legislation to repeal the two-year limitation so that the veteran's survivor may receive the full amount of the award and not be penalized if VA does not process claims in a timely manner. The Committee estimates the cost to be $1 million per year.

Special Compensation for Former Prisoners of War.—The Committee recommends legislation to establish a three-tiered special monthly pension to former prisoners of war, to be based upon the length of captivity. Those who were detained 30–120 days would receive $150 per month, those detained 121–540 days would receive $300 per month, and those detained 540 or more days would receive $450 per month. In 2002, the Congressional Budget Office estimated a direct spending increase of $24 million in 2003, $345 million over five years, and $634 million over ten years for special compensation to former prisoners of war. The Committee also recommends legislation to extend VA dental benefits to all former prisoners of war, regardless of their length of captivity. The Congressional Budget Office estimates this program expansion would cost less than $500,000.

National Cemetery Administration.—As discussed above, the Committee may direct the Secretary to begin the planning phase for the construction of seven new veterans' cemeteries in those areas, with a veteran population threshold of 150,000, that are deemed most in need between 2005 and 2020. In addition, the Committee recommends a five-year, $300 million restoration and improvements project at existing cemeteries to ensure that national cemeteries are dignified and respectful settings.

Increase Auto Allowance and Specially Adapted Housing Allowance for Severely Disabled Veterans.—VA is authorized to provide a one-time reimbursement to severely disabled veterans of $9,000 for the cost of an automobile. According to the American Association of Motor Vehicle Administrators, the average cost of a new automobile was estimated to be $21,605 in 2001. The Committee recommends legislation to increase the auto allowance to $11,000. VA also provides a grant to offset the cost of modifying a home to accommodate a veteran's disabilities. The Committee also recommends legislation to increase the grant for specially adapted housing for severely disabled veterans to $50,000 and for less severely disabled veterans to $10,000. The Committee estimates combining these two proposals to cost $6 million in 2004, $34 million over 5 years, and $74 million over 10 years.

Vendee Loans.—The Committee opposes VA's January 23, 2003, decision to administratively terminate the vendee loan program. When a purchaser agrees to buy a foreclosed VA home, VA often offers to finance the sale by establishing a vendee loan to encour-

age the prompt sale of the home. Vendee loans are made at market interest rates and often require a down payment. Borrowers are assessed a 2.25 percent funding fee that is paid in cash.

The Committee views vendee loans as an important tool to obtain a higher return on property sales, which reduces the overall cost of program operations. VA makes, and subsequently sells, $800 million to $1.2 billion in such loans each fiscal year. There is an ample body of empirical data indicating that offering vendee financing is cost effective. In March 2002, Booz, Allen, and Hamilton, Inc., independently analyzed the cost effectiveness of vendee loan financing. Their report indicated a savings to the government of $16 million in fiscal year 1999 due to vendee financing. The Committee believes the vendee loan program is based on sound business principles and recommends legislation to reinstate the program.

Guaranteed Health Funding.—Because VA health care discretionary appropriations have not kept pace with the needs of veterans enrolled in the VA health care system, H.R. 5250 was introduced in the 107th Congress to establish a funding formula to guarantee sufficient annual funding to meet the medical care needs of these veterans. The bill was intended to stabilize VA's health care financing and promote more efficient use of funds.

The Committee recommends to the Committee on the Budget that it convert the veterans health care account from discretionary to mandatory funding. The Committee believes the conversion would be essentially budget neutral because the increase in mandatory funding would be offset by a decrease in current discretionary appropriations for veterans health care. The continuing health care of veterans would be funded through a new financing system similar to the financing systems used for the military TRICARE for Life program, the Medicare program and the Federal Employees Health Benefits Program. In none of these programs has the funding formula itself been the source of increased costs. Veterans deserve a health care program with an equally reliable funding mechanism.

Comparison of President's Proposed Budget, Independent Budget and VA Committee Recommendations for the Department of Veterans Affairs FY 2004 Budget

(Budget Authority in millions)

	FY 2003 Approved (Estimate)	FY 2004 Admin. Request	Admin. Compared to FY 2003	Independent Budget (IB)	IB Compared to Admin. FY04 Request	VA Committee Recommend	VA Committee Compared to Admin. FY 2004
Medical Care	$23,889	$25,218	$1,329	$27,201	$1,983	$27,488	$2,270
MCCF and HSIF Receipts	*$1,617*	*$2,141*	*$524*	*No estimate provided*	.....	*$1,778*	*– $363*
Medical and Prosthetic Research	$400	$408	$8	$460	$52	$460	$52
Medical Administration & Misc. Operating Expenses	$70	$79	$9	$84	$5	$79	$0
Construction, Major	$137	$273	$136	$436	$163	$773	$500
Construction, Minor	$164	$252	$88	$440	$188	$252	$0
State Home Grants	$100	$102	$2	$150	$48	$132	$30
State Cemetery Grants	$32	$32	$0	$37	$5	$32	$0
General Operating Expenses (VBA and General Administration)	$1,256	$1,283	$27	$1,545	$262	$1,312	$29
National Cemetery Administration	$132	$144	$12	$162	$18	$209	$65
Inspector General	$55	$62	$7	$61	– $1	$62	$0
Total VA Discretionary *(Excluding MCCF and HSIF Receipts)*	**$26,235**	**$27,853**	**$1,618**	**$30,455**	**$2,602**	**$30,688**	**$2,946**
VA Mandatory Spending	$31,678	$32,710	$1,032	No estimate provided	.....	$33,411	$701

REPORT TO THE COMMITTEE ON THE BUDGET FROM THE COMMITTEE ON VETERANS' AFFAIRS SUBMITTED PURSUANT TO SECTION 301 OF THE CONGRESSIONAL BUDGET ACT OF 1974, ON THE BUDGET PROPOSED FOR FISCAL YEAR 2005, MARCH 4, 2004

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 26, 2004

Hon. JIM NUSSLE,
Chairman, Committee on the Budget
House of Representatives, Washington, DC

DEAR MR. CHAIRMAN: We are pleased to convey with this letter the views and estimates of the Committee on Veterans' Affairs regarding the fiscal year 2005 budget for veterans' health care and benefits.

On February 4, 2004, the Committee held a hearing to receive the testimony of the Secretary of Veterans Affairs and veterans service organizations on the proposed budget for veterans programs. The Committee also heard testimony from the authors of the *Independent Budget* proposed by the Veterans of Foreign Wars, Disabled American Veterans, AMVETS, and Paralyzed Veterans of America. The Secretary presented the Administration's fiscal year 2005 budget request for a total of $67.324 billion, an increase of $5.27 billion in budget authority. Entitlement programs would receive $35.3 billion and discretionary programs would receive $32.1 billion. The overall increase in discretionary funds would be $517 million.

Congress should provide VA with sufficient funding to maintain current levels of service for veterans health and benefits programs. After carefully considering the VA's budget submission, the *Independent Budget* submission, and the testimony presented at the budget hearing, we have concluded that an additional $2.524 billion in budget authority for VA's discretionary programs would be needed to ensure a current services budget. In the Committee's view, this increase would allow the Department to continue during fiscal year 2005 to provide the level of benefits and services veterans are now receiving.

The budget requested by the Administration for veterans medical care is $29.1 billion in total resources. Of this amount, $26.646 billion would come from appropriated funds, an increase of $708 million over the adjusted appropriated level for the current fiscal year. The balance of the request for medical care consists of an estimated $2.4 billion in collections, an increase of $667 million over the fiscal year 2004 projection.

The Administration also proposes a $250 annual enrollment fee for priority 7 and 8 veterans seeking VA medical care, and an increase in drug and primary care copayments. Similar user fees were rejected by Congress last year, and the Committee again recommends against their adoption. VA's ability to provide long-term care would be severely impaired by another Administration proposal, also made last year, to close about 5,000 of its estimated 12,000 nursing home beds. Given the expected number of elderly veterans from World War II and the Korean War who are expected to seek nursing home care over the next ten years, these proposals are illogical and indefensible.

Last year, the Committee favorably considered an Administration legislative proposal to provide VA with additional health care resources. Acting on the proposal, the Committee reported H.R. 1562, a measure that would increase VA medical care collections by holding insurers responsible for the cost of covered care provided by VA. The Congressional Budget Office estimated that this authority would boost collections by almost $800 million over five years. However, our efforts to have the House consider this measure have been rebuffed.

For entitlement benefits, the Administration proposes $35.3 billion in funding to support programs for veterans compensation and survivors benefits, pensions, education, vocational rehabilitation and employment, housing, insurance and burial programs. However, the budget request would decrease total Veterans Benefits Administration (VBA) staffing by 540 FTEE. The Committee recommends an additional $32 million in budget authority to maintain current levels of such staffing in order

to continue needed performance improvements in disability claims processing and other entitlement programs. The Committee also recommends an additional $17.5 million to support initiatives to improve claims processing.

The Administration also requests $161 million for fiscal year 2005 to operate 125 National Cemeteries, and $180.9 million in mandatory spending for veterans burial benefits. The Administration requests $113 million to develop new national cemeteries, expand existing cemeteries and provide grants for state cemeteries. The Committee believes these requests are adequate. However, the Administration did not request funding for 928 previously identified cemetery restoration and repair projects that are badly needed to restore older cemeteries as national shrines. Most of these cemeteries are closed to new interments and are in a decrepit state. Therefore, we are recommending $50 million for fiscal year 2005, for the first year of a five-year, $300 million national cemetery restoration and improvement project.

The Committee's top legislative priority is a measure to create jobs and economic opportunity for those who have performed military service. Congress has not comprehensively updated the on-the-job training and apprenticeship programs under the Montgomery GI Bill and other VA educational assistance programs since World War II. "Earning and learning" on the job in these programs is also an excellent transition tool for returning servicemembers. A modernized statute reflecting the nature of structured training in today's workplace would improve access to these programs for recently-separated veterans by giving employers greater incentives to participate. The Committee recommends funding of $1.78 billion over 10 years to create new jobs and economic opportunities for veterans.

The Committee believes that the increases it recommends in the accompanying views and estimates for fiscal year 2005 are necessary to maintain current services for veterans programs. Members of the Committee may submit additional views under separate cover. We thank the Committee on the Budget for its consideration of our recommendations and look forward to continued discussion on these important issues.

Sincerely,

CHRISTOPHER H. SMITH,
Chairman

LANE EVANS,
Ranking Democratic Member

BACKGROUND AND COMMITTEE RECOMMENDATIONS

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

The Status of VA Health Care.—Veterans have sought health care from the Department of Veterans Affairs (VA) in increasingly greater numbers over the past ten years as the VA evolved from a system that primarily focused on inpatient care to a primary care model. The increased capacity and availability of VA health care resulted from the opening of hundreds of new VA community-based outpatient clinics. VA's accessible and affordable pharmacy benefit also encouraged veterans to seek care.

The Department cared for 4.7 million unique veteran patients in fiscal year 2002, 5 million in fiscal year 2003, and expects to treat 5.2 million veterans in fiscal year 2004. Approximately 2.4 million additional veterans will be enrolled in VA health care in fiscal year 2005 but will not actually use the health benefit. To respond to this growth, Congress has increased VA medical care funding by 22 percent over the past two years and 50 percent over the past five years, an average of 10 percent per year. In the current fiscal year, the Consolidated Appropriations Act of 2004, Public Law 108–199, provides $25.9 billion in appropriations for veterans' medical care

(the funding level available for medical care assumes a transfer of $400 million to medical construction). This constitutes an increase of $2 billion or 9 percent over the previous fiscal year. In fiscal year 2003, Congress provided an increase of $2.6 billion or 12 percent for veterans' care.

For fiscal year 2005, the Administration requests $26.6 billion in appropriations for VA health care programs (not including construction, national management, or grant programs) an increase of $708 million or 2.7 percent over the fiscal 2004 appropriated level.

The Administration's budget proposes that Congress require veterans with no service-connected disabilities (priority 7 and priority 8 veterans) to pay a new annual enrollment fee of $250, as well as higher pharmaceutical co-payments ($15 for each 30-day prescription) and higher primary care appointment co-payments (from $15 to $20 for each appointment). The enrollment fee increase and the higher pharmaceutical co-payments were proposed in previous budgets but were not approved by Congress.

The Committee remains concerned about the growth in enrollment and VA's inability to respond to the needs of some patients once enrolled. Eighteen months ago, 310,000 enrolled veterans had to wait six months or more to see a VA physician, including some veterans who received no appointment at all. Today, VA is reporting that number has been reduced to about 36,000. Following recommendations from the Members of this Committee, VA implemented a temporary program in late 2003 designed to allow veterans who requested an initial appointment with a physician and who were still waiting longer than 30 days for that appointment to receive VA pharmacy services for prescriptions written by private physicians. More recently, the Secretary altered waiting policy by requiring facilities to schedule service-connected veterans for appointments within 30 days. The Committee will continue to monitor the effect of this change on waiting times and VA expenditures.

On January 17, 2003, the Secretary of Veterans Affairs suspended further enrollment of Priority 8 veterans (nonservice-connected veterans with incomes above a regionally adjusted means test). The announced purpose for this action was to ensure that VA was capable of caring for veterans with military-related disabilities, lower incomes and those in need of specialized care. The Secretary also announced a program in partnership with the federal Centers for Medicare and Medicaid Services (CMS) for VA to subcontract with Medicare+Choice Organizations (M+CO) under the Medicare Part C program. Projected to begin in late 2004, a small number of Medicare-eligible Priority 8 veterans now excluded from direct enrollment in VA health care would be offered the option of receiving their Medicare benefits from VA facilities designated as Medicare provider organizations.

Overall US Health Care Spending Growth.—Health care spending slowed in 2003, but is still expected to rise at an annual rate of 7.8 percent in 2004, about 3.5 percentage points higher than general inflation, according to a report issued February 11, 2004 by CMS. Prescription drugs continue to be the fastest-growing segment of health spending. For the VA's health care system, spending on prescription drugs was 13.4 percent of VA health expenditures in 2003. In fiscal year 2004, VA expects to spend about $3.7

billion on pharmaceutical products and anticipates spending $3.9 billion in fiscal year 2005, a 5 percent increase. The projected increase stems from both higher utilization of VA health care by veterans and increased use of new drugs to deal with the chronic health problems of enrolled veterans.

Health Care Inflation.—The Bureau of Labor Statistics (BLS) has released inflation data for 2003 that shows that the overall medical care inflation rate for calendar year 2003 was 4 percent, almost double the domestic "All Items" inflation rate. Hospital care and related services grew faster than other components of health inflation, at 7.3 percent.

Capacity and Demand for Long-Term Care Services.—The veteran population most in need of nursing home care, veterans 85 years or older, grew from about 387,000 in fiscal year 1998 to about 640,000 in fiscal year 2002 and to about 870,000 during fiscal year 2003, amounting to more than a 100 percent increase over the past seven years. Over the next decade, this veteran population segment is expected to continue to rise to about 1.3 million. In 1997, VA established a Long-Term Care Federal Advisory Committee to recommend how VA should respond to this growing demand. The Committee was chaired by Dr. John Rowe, then President of Mount Sinai University and School of Medicine and a former VA geriatrician. Dr. Rowe and the panel of experts on the Advisory Committee issued a report in 1998 entitled *VA Long-Term Care at the Crossroads*. The Committee offered 20 recommendations to guide the provision of VA long-term care services through 2010.

In the *Crossroads* report, the Advisory Committee concluded that "[d]espite high quality and continued need, long-term care is perceived to be an adjunct entity, unevenly funded and undervalued. Continued neglect of the long-term care system will lead to further marginalization and disintegration, and have costly, unintended consequences throughout the VA health care system." The Advisory Committee stressed the need for nursing home capacity to remain at the 1998 bed level and for VA to significantly expand home and community-based service capacity to meet the anticipated growth in demand by a large oncoming wave of aging veterans.

On November 30, 1999, Congress ratified many of the recommendations of this Advisory Committee with enactment of the Veterans' Millennium Health Care and Benefits Act (the Millennium Act), Public Law 106–117. Under this Act, VA is required to provide a comprehensive menu of extended care programs, including geriatric evaluation, community nursing home, domiciliary, adult day health, respite and other alternatives to institutional care, including palliative and hospice programs. VA is mandated to provide needed nursing home care to veterans who are either 70 percent service-connected or in need of such care for a service-connected condition, and is required to provide such care to other veterans to the extent VA has resources to do so. The Millennium Act also requires VA to give priority to veterans with unique needs (such as Alzheimer's) and for those without other placement options. It also requires VA to maintain the level of "in-house" extended care services and expand community-based long-term care

programs, supported in part by increased copayments for long-term care services for nonservice-connected veterans.

In November 2002, the Committee Chairman requested the General Accounting Office (GAO) to analyze current trends and forecasts in veterans' nursing home utilization and VA's long-term care expenditures. GAO testified before the Committee on January 29, 2004, questioning whether any real growth had occurred in VA's non-institutional care programs since enactment of the Millennium Act. Also, the VA Inspector General reported on December 13, 2003, on VA's homemaker and home health aide program (Report No. 02–00124–48, *Healthcare Inspection: Evaluation of Veterans Health Administration Homemaker and Home Health Aide Program)*. Both reviews showed that VA's official policies had expired or that program managers were not complying with Veterans Health Administration (VHA) policies, and that there were no extant guidelines for contracting for services or for rates to be paid for services. Both reports observed significant differences between networks in long-term care services provided and the types of patients being served.

Although VHA's overall long-term care services have expanded to some extent in recent years, VA's commitment to long-term care has not kept pace with veterans' needs. According to GAO, access to VA care remains markedly variable from network to network. VA's average daily nursing home census was 33,214 in fiscal year 2003, one percent below its fiscal year 1998 workload. All of the program growth reported by GAO was in the state home program and most of the shrinkage was in VA's in-house capacity. Also, according to a November 11, 2003, VA report, entitled *VA Extended Care: Final Report to Congress of VA's Experience Under the Millennium Act*, VA itself reported that it has not maintained the required level of in-house nursing home care.

The Committee firmly rejects the Department's proposal to close 5,000 additional VA nursing home beds. Congress rejected a similar proposal last year. Outpatient programs cannot replace the nursing home beds that chronically ill veterans need. In order to maintain the required bed level, the Committee recommends that VA's budget request be augmented by $370 million. VA should also reopen the nursing home beds that have been closed since passage of the Millennium Act.

Medical Care Collections Fund.—VA is authorized to bill some veterans and most health care insurers for nonservice-connected care provided to veterans enrolled in VA health care. It retains this collection in the Medical Care Collections Fund (MCCF) to defray costs of delivering VA medical services. The Department projects that if its proposed fee increases are adopted, medical care collections for fiscal year 2005 will be $2.4 billion.

The Committee supports the Department's efforts to improve performance in first and third party collections, but the Committee remains skeptical that VA can achieve all of its collections goals in fiscal year 2005. Much of the 38 percent increase ($403 million) projected for fiscal year 2005 is expected to come from new enrollment fees and increases in copayments for pharmaceuticals and primary care for certain veterans. Congress rejected these same proposals last year. Another $300 million is projected to come from

improving collection methodologies. While VA might be successful in increasing collections, past projections have proven to be overly optimistic. The Committee believes a 10 percent increase in collections, based on the fiscal year 2004 estimate of $1.75 billion in total collections, is a realistic goal. The Committee estimates that this would reduce VA's need for new appropriations in fiscal year 2005 by $175 million.

Management Improvements and Efficiencies.—The Department's 2005 budget proposes to achieve an additional $340 million from "management savings." VA testified that it plans to achieve these savings through improved standardization in the procurement of supplies, pharmaceuticals and other capital purchases, and by implementing a competitive out-sourcing plan, increasing health resources sharing with the Department of Defense (DOD), and continuing the trend of shifting patients from inpatient to outpatient levels of care. The budget also assumes that VA will continue to achieve the $950 million "management efficiencies and improvements" programmed into the fiscal year 2004 budget. Management efficiencies, improvements and savings are laudable goals and some have indeed been achieved. However, based on prior experience, the Committee is not confident that optimistic plans and goals would produce the high-dollar reductions in costs the Administration projects in its budget request.

On September 2, 2003, the Committee reported to the Committee on the Budget (House Committee Print No. 4, 108th Congress, 1st Session) on its review of efforts to eliminate waste, fraud and abuse in veterans' programs. The Committee invites close attention to this report as an indication of efforts within VA, its Inspector General's Office (OIG) and at GAO, to ferret out such conditions and improve VA programs, within the health care system. As evidenced by hearings before this Committee and other committees in the first session of the 108th Congress, Congress and the Administration together should work aggressively to eliminate waste, fraud, abuse, and mismanagement in VA programs. As this Committee continues to examine VA funding needs, it will continue its efforts to reduce waste and inefficiencies in these programs.

Enhanced Mental Health Services.—1. Peer Support Program and Education: On April 29, 2002, President Bush established the New Freedom Commission on Mental Health "to conduct a comprehensive study of the United States mental health service delivery system, including public and private sector providers, and to advise the President on methods of improving the system." This Commission recently reported to the President. VA, which participated in the Commission as an *ex-officio* member, has established an action agenda to implement its recommendations.

One recommendation of the Commission proposed "peer support networks" to align relevant Federal programs and to improve access and accountability for mental health services. Peer support programs have proven to be cost-effective and successful models for assisting veterans and others with mental illnesses. The Committee believes that VA should hire peer counselors to develop a training protocol and certification program. The Committee recommends $5 million to initiate this program.

2. Mental Health Intensive Case Management: Mental Health Intensive Case Management (MHICM) programs are characterized as an intensive, multidisciplinary team approach to managing highly dysfunctional mentally ill veterans in the community. VA has estimated as much as 20 percent of its seriously mentally ill veteran population may be in need of such services. VA issued an internal directive more than three years ago to ensure that each of its networks establishes strategies to provide severely mentally ill veterans with appropriate access to mental health services. Recent reports from VA indicate that some MHICM's were initiated in the last year, more than two years after the directive was issued. Others have reduced or held steady the number of veterans they treat. Medical literature has shown the MHICM program to be a cost-effective means of managing mentally ill people. The Committee recommends VA continue to implement MHICM teams to treat veterans in the target population. VA's Committee on Care of Veterans with Serious Mental Illness has estimated that the cost to fully implement this program would be an additional $32 million.

Enhancing VA Services along the VA Continuum of Care.—The same VA advisory committee on mental illnesses has identified a number of shortfalls in programs that aid veterans with mental health disorders. The cost to meet the full demand by veterans for mental health services in fiscal year 2004 would require double the amount obligated in fiscal year 2002 for these programs. However, in order to achieve realistic and feasible program growth, the Committee recommends an increase in the program funding by $55 million.

Readjustment Counseling Services to Address the Needs of Veterans Returning from Iraq and Afghanistan.—Almost 287,000 American servicemen and women serve or have served in Operation Enduring Freedom and Operation Iraqi Freedom. DOD reports that it has cared for more than 9,000 casualties since these deployments were authorized. Many of them have physical wounds; others have mental health problems stemming from the stressful conditions of combat. Patients with diagnoses of chronic Post Traumatic Stress Disorder (PTSD) may require long-term courses of treatment and often consume other types of health care services at higher rates than average.

VA recently developed clinical guidelines in collaboration with DOD to diagnose PTSD in its earliest stages to prevent chronic and severe cases from developing. VA is now developing plans to screen servicemembers who have returned from a recent deployment. This outreach is intended to ensure that veterans who are likely to have problems are identified and are offered early intervention to address their problems.

Strong family support is integral to the recovery of individuals with mental health disorders. Congress has authorized VA to offer care to family members when it is incidental to the treatment of the veteran or when a veteran has died of service-connected conditions. The Committee believes VA should take immediate steps to enhance the resources available to its current readjustment counseling centers ("Vet Centers") to ensure that the program is ade-

quately prepared to address the needs of returning troops and their immediate family members. To augment the existing care sites and add family therapists at 50 of its sites that may experience the greatest increase in demand due to demobilization, would require an $8 million investment for approximately 100 new full-time employees.

In sum, the Committee recommends augmentation of the medical care budget by $100 million to account for these heightened requirements from wartime deployments and for programs that have not been adequately recognized as priorities for veterans in need of mental health services.

Homelessness Among Veterans.—With the passage of the Homeless Veterans Comprehensive Assistance Act of 2001, Public Law 107–95, Congress established the goal of ending chronic homelessness in the veteran population within a decade. VA is not making sufficient progress in achieving this objective, as evidenced by the slow pace of developing regulations and policies to carry out several of these initiatives. In the case of the authorization to expand VA domiciliaries, VA has effectively prevented implementation of this authority, despite its proven effectiveness. Other programs, including VA's grant and per diem program for community providers, and the so-called "Health Care for Homeless Vets" initiative, should be funded at higher levels if the goal is to be met. The Committee recommends that, consistent with the recommendations of the Administration, $15 million be added to the VA's budget to address the still unmet needs of an estimated one-quarter million homeless veterans. This will allow VA to increase funding available to the homeless grant and per diem providers, who, in turn, can assist thousands of veterans in returning to productive activity.

Medical and Prosthetic Research.—The Department carries out an extensive array of research and development as a complement to its affiliations with medical and allied health professional schools and colleges nationwide. While these programs are specifically targeted to the needs of veterans, VA research has defined new standards of care that benefit all Americans. Among the major emphases of the program are aging, chronic diseases, mental illnesses, substance-use disorders, sensory losses, and trauma-related illnesses. VA's research programs are internationally recognized and have made important contributions in virtually every arena of medicine, health, and health systems.

The Administration has requested a 2005 budget for VA Medical and Prosthetic Research of $385 million, a decrease of $21 million below the fiscal year 2004 appropriations level. The Committee strongly supports an increase in the research account to $415 million. The Committee believes this additional funding is needed to keep pace with funding trends in the Federal biomedical research community. The Committee places a high premium on VA's research focus in chronic diseases afflicting aging populations. The National Institutes of Health received an increase of 3.7 percent in the 2004 omnibus appropriations act. An equivalent increase in VA research for 2005 would be $427 million. Additional funding of $30 million in VA biomedical research in fiscal year 2005, coupled with a $30 million increase in medical care funds to support these activi-

ties, would provide for inflation and permit a small expansion in VA research programs.

Bio-Terrorism Research Centers.—The Department of Veterans Affairs Emergency Preparedness Act of 2002, Public Law 107–287, requires the Department to establish four national emergency preparedness centers, and authorizes $20 million per year for the support of those centers. A dispute over the funding for these centers has prevented their establishment. These centers are vital to VA's ability to care for veterans who may be exposed to weapons of mass destruction on the battlefield, as well as to provide assistance to the Departments of Homeland Security, Defense and others in the federal and state communities in contending with the health care challenges of the war on terrorism. The Committee believes that the Department should set aside $10 million from the amount the Committee recommends for medical care to support the establishment of four national medical preparedness research centers within existing VA medical centers in fiscal year 2005.

The Act also authorizes the establishment of an education program to be carried out through VA. The education and training curriculum would include a program to teach current and future health care professionals how to diagnose and treat casualties who have been exposed to chemical, biological, or radiological agents. The Committee believes that the Department should set aside $5 million from the amount the Committee recommends for medical care to support the requirement in fiscal year 2005.

Major Medical Construction Projects and CARES.—The physical infrastructure of the VA health care system is one of the largest in the federal government, with over 4,700 buildings and thousands of acres valued at over $35 billion. Much of this infrastructure was built over 50 years ago. These aging facilities are in need of repair and restoration to ensure that veterans are provided care in safe, reliable and functional settings. In recent years, VA's investment in its health care infrastructure has been minimal compared to expected levels of investments in such capital facilities. At the same time, GAO has reported to Congress that VA is "wasting" $1 million per day on unnecessary buildings and empty spaces. As described above, VA has moved from a hospital-based health care system to a primary care delivery model. Accordingly, VA is completing its Capital Asset Realignment for Enhanced Services (CARES) initiative. The independent CARES Commission, chaired by Honorable Everett Alvarez, Jr., issued its report to the Secretary of Veterans Affairs and Congress on February 13, 2004. A major issue of concern to the Committee is that the draft plan omits veterans' long-term care, domiciliary care and outpatient mental health care, claiming that workload forecasts in these programs were inaccurate or unrealistic. This critical omission may call into question the validity of many CARES recommendations.

The CARES Commission report confirms the need for at least $4 billion in capital improvements over the next decade. The CARES Commission agreed with VA's plan to build two new medical centers, in Denver, CO, and Orlando, FL. It also recommended a priority feasibility study for a new consolidated Medical Center in Boston, MA, to replace four existing VA centers. The Commission

encouraged VA to continue its collaboration with the Mike O'Callaghan Federal Hospital in Las Vegas, NV, and also endorsed VA's proposals to further study the need for new facilities in the Las Vegas area, as well as in Louisville, KY, and in Charleston, SC. In testimony before the Committee on February 4, 2004, Secretary Principi stated his intention to proceed with CARES as a high priority. He identified $1.3 billion in funds available to begin major capital projects in the next two fiscal years. Assuming that the Secretary does not completely reject the recommendations of the Commission, the Committee will carefully review the CARES report and VA's prioritized list of capital improvement projects over the next several months.

State Home Grants Program.—In 47 states and Puerto Rico, there are 117 facilities for veterans that provide nursing (21,000 beds), domiciliary (6,066 beds), and adult day care (one small program) whose care is coordinated with VA. The current VA reimbursements for each day of care a veteran receives in a state home are: $57.78 for nursing home care, $27.19 for domiciliary care, and $42.57 for adult day health care.

States pay 35 percent of the construction costs of projects for state home facilities, and bear most of the cost of the facilities' operations and health care that exceed amounts contributed by VA. Applications totaling $359.7 million for new construction and renovation grants to state veterans' homes are pending in the Department. A new round of requests will be solicited in April 2004 for fiscal year 2005 awards.

In 1999, the Millennium Act reformed the state home construction grant program. It provided a higher priority for critically needed renovations in existing state homes, especially those projects involving fire and life safety improvements. Prior to enactment, these long-delayed projects were given a lower priority for funding than grants for constructing new state home beds. In fiscal year 2004, for the first time since the implementation of these provisions affecting the ranking criteria for funding, the backlogged renovation projects with state matching grants are eligible for funding.

The Administration budget proposal for fiscal year 2005 requests $105,163,000 to support the grant program, a 3.6 percent increase over the fiscal year 2004 appropriated level. The Committee supports VA funding as many projects as possible for which states have certified their matching funds to be available. These projects will respond to the growing demand for new long-term care facilities, and will aid states in modernizing facilities in existing inventories.

Current Services for Veterans Health Care.—VA's estimate of cost savings in this proposed budget does not consider the increased costs that Medicare, TRICARE, and other federally-subsidized health care programs would incur for veterans who would be disenrolled from VA care as a result of proposals such as a $250 health care copayment and an increased prescription drug copayment. When the Congressional Budget Office and the Office of Management and Budget estimated the cost of the recently-enacted Medicare prescription drug benefit, they reduced the projected costs of that benefit by the $3 billion that VA spends annually to provide

prescription drugs to veterans using VA care. Similarly, the Administration and Congress reduced the estimated cost of VA health care by $250 million annually following the enactment of TRICARE for Life in 2000. Veterans' use of VA care also reduces the cost of care in the Indian Health Service and in Medicaid.

Rather than supporting Administration proposals that could reduce demand for VA health care and shift costs to other parts of the federal medical system, the Committee recommends treating spending on veterans programs the same as spending on Social Security and Medicare. To do so, a "current services" budget for VA medical care would require an increase of approximately nine percent over the appropriated fiscal year 2004 level. A current services approach allows continued enrollment for those veterans enrolled today in VA health care.

VETERANS BENEFITS ADMINISTRATION

Veterans Benefits Administration.—The Administration requests $35.2 billion to support the entitlement benefits program, an increase of $2.5 billion over the appropriated level for fiscal year 2004, as well as another $1.464 billion for managing the programs for disability compensation, pension, education, vocational rehabilitation and employment, housing, life insurance, and burial. Over 3.3 million veterans, survivors and dependents were receiving compensation or pension benefits at the beginning of fiscal year 2003. An additional 681,000 beneficiaries received education or vocational rehabilitation benefits.

The ability of VA to provide accurate, timely and quality benefits delivery is dependent on a number of factors. These include an adequate number of properly trained staff, effective business process and information technology modernization initiatives, accountability measures, inter-departmental cooperation between the various VA administrations and military service departments, including the National Personnel Records Center and DOD's Center for Unit Records Research, and assistance from the veterans service organizations. The Administration requests $29.4 million to support new and on-going initiatives designed to provide better customer service through improved accuracy and access for benefits. The Committee recommends an additional $17.5 million to support added initiatives to include Virtual VA (paperless claims processing), Data Quality Assurance, the One VA telephone system, computer training programs, and contract medical examinations.

Disability Compensation.—The Administration requests $29.3 billion to support compensation benefits to disabled veterans, certain survivors, and eligible dependent children, and $657.6 million to fund the discretionary portion of the Disability Compensation program, which will provide funding for the administrative expenses of 7,057 FTEE, a decrease of 35 FTEE from fiscal year 2004.

VBA is making every effort to increase quality and productivity in the current adjudicative and appellate processes for veterans. The Department has continued to make reducing the pending workload of veterans' claims and attendant quality in such claims top priorities. VBA decreased its average days to process a rating

claim from 223 days in 2002 to 182 days in 2003. By the end of 2004, VBA expects to be processing these claims in 145 days, and by the end of 2005 expects them to be processed in 100 days. While significant progress has been made, VBA did not meet the Secretary's goal of processing claims within 100 days by the end of 2003. "Reopened" claims, those in which a request for reconsideration of a previous denial is made, continue to outnumber original claims by about three to one. The accuracy rate for core rating work in claims decisions continued to improve, increasing from 81 percent in 2002 to 86 percent in 2003.

The Committee notes VBA's efforts to meet its timeliness goals through restructuring at its regional offices and redesigning workflow, strengthening its partnership with DOD and the U.S. Armed Services Center for Unit Records Research, and developing a joint VBA/VHA/DOD examination protocol for servicemembers leaving active duty. At the end of fiscal year 2003, VBA's pending claims inventory was 253,000, a 41.4 percent reduction in pending claims from a peak of more than 432,000 in January 2002. However, as of early February 2004, 336,721 claims were pending. This significant change in VBA's inventory was the result of a September 22, 2003, decision by the U.S. Court of Appeals for the Federal Circuit, *Paralyzed Veterans of Am*. v. *Sec'y of Veterans Affairs*, 345 F.3d 1334 (Fed. Cir. 2003), which held that denial of a claim is premature before the expiration of the one-year period established by the Veterans Claims Assistance Act of 2000 (VCAA), Public Law 106–475, even if VA has reviewed all available evidence. The VCAA requires VA to allow a claimant one year to submit requested information or evidence to substantiate a claim.

The Veterans Benefits Act of 2003, Public Law 108–183, signed on December 16, 2003, changed the result of the Court's decision. Veterans no longer have to wait until the expiration of the one-year period to receive a decision on their claim. VBA has begun the process of issuing decisions on the approximately 60,000 cases deferred over the last three months due to the Court's ruling.

Due to these workload considerations, the Committee rejects the proposed decrease of 35 FTEE and recommends $2 million to maintain current staffing levels.

Pension Program.—The Administration requests $3.2 billion to support the pension program, and $139.4 million to fund the discretionary portion of the pension program, which will provide funding for the administrative expenses of 1,444 FTEE, a decrease of 255 FTEE from fiscal year 2004, despite a caseload increase of 8,024.

The average number of days to process pension claims has decreased only slightly from 112 in 2000 to 98 in 2004, and the overall customer satisfaction rate with the pension program has remained static at 65 percent. The Committee rejects the proposed decrease of 255 FTEE and recommends $15 million to maintain current staffing levels.

Education Service.—The Administration requests 888 FTEE for the Education Service, a decrease of 38 FTEE over fiscal year 2004, although participation in VA's education programs is projected to increase by about 29,000.

The Committee observes no significant improvement in the quality of education claims processing from 2002 to 2003; some indicators are better and some are worse than the previous year. Moreover, from 2001 to 2003, overall payment accuracy improved only slightly from 92.0 percent to 93.5 percent.

An additional priority for the Committee is the further development of apprenticeship and other on-job training programs for veterans. Sufficient resources and personnel must be allotted to the processing, review and evaluation of federal job training programs so that decisions are made accurately and expeditiously. The Committee rejects the proposed decrease of 38 FTEE and recommends $2 million to maintain current staffing levels.

Vocational Rehabilitation and Employment Service.—Disability compensation can help offset a veteran's average loss of earning power, but long-term sustained employment and economic independence represent the aspirations of most disabled veterans, according to VA's comprehensive 2001 National Survey of Veterans.

VA's *Annual Accountability Report for FY 2000* showed the rehabilitation rate of disabled veterans for the year was 65 percent, which appeared to exceed the goal of 60 percent. However, VA's Inspector General concluded in its February 6, 2003, report titled *Accuracy of VA Data Used to Compute the Rehabilitation Rate for Fiscal Year 2000* (Report No. 01–01613–52), the data VA used to compute the rehabilitation rate was not accurate. In numerous cases, VA classified disabled veterans as rehabilitated when they were not rehabilitated. The Committee expects improvements in the integrity of these data.

The Administration requests 1,015 FTEE for the Vocational Rehabilitation and Employment program in fiscal year 2005, a decrease of 103 over the fiscal year 2004. The Committee rejects the proposed decrease of 103 FTEE and recommends $7 million to maintain current staffing levels in order to allow the program an opportunity to improve its performance.

Loan Guaranty Service.—In fiscal year 2003, this program guaranteed 489,418 loans, the second highest amount since 1970. The loans were valued at $63,254,794, with an average of $129,245. In general, VA's home loan program is one of its most popular with veterans and servicemembers. VA's 2001 National Survey of Veterans notes that about 60 percent of the 20,000 veterans surveyed reported they had used VA's home loan program to purchase, improve or refinance their home. On average, 93.2 percent of veterans have indicated satisfaction with VA's home loan assistance over the past five fiscal years. The Committee commends these results.

Average FTEE in this program has already been reduced through careful administrative consolidation from 2,108 in fiscal year 1999 to 1,390 in fiscal year 2004 without any degradation in quality or cost-effectiveness. However, the Administration requests a further reduction of 109 FTEE. The Committee rejects the proposed decrease of 109 FTEE and recommends $6 million to maintain current staffing levels in order to maintain program performance.

The Committee is also concerned about a proposal contained in the budget request to change the eligibility of the home loan pro-

gram to one-time use for veterans (active duty servicemembers would continue to be able to use the benefits as many times as needed). Such a change in program entitlement for veterans is estimated by the Administration to cost $91 million. The Committee rejects this proposal and recommends no change to current law in this regard.

VBA Staffing for all Business Lines.—VBA has an administration-wide hiring freeze, effective May 8, 2003. Additional hiring in early fiscal year 2003 of 150 new Rating Veterans Service Representatives and 150 new Veterans Service Representatives, along with Congressionally-mandated pay increases, significantly increased the payroll base prior to the hiring freeze. An exception to the hiring freeze was granted to VBA's "Tiger Team," located at the Cleveland Regional Office. The Tiger Team concentrates on processing older claims throughout the system, and top priority is given to those claims from veterans over age 70 that have been pending for a year or more.

The Administration requests a decrease of 540 FTEE in total VBA staffing. The Committee is concerned that with decreased staffing, VBA would not be able to continue its improvements in disability claims processing, as well as improve its performance in other entitlement programs.

The Committee rejects the total proposed decrease of 540 FTEE across all business lines and recommends a total of $32 million to maintain current full staffing for the disability compensation, pension, education, vocational rehabilitation and employment and housing business lines of VBA.

NATIONAL CEMETERY ADMINISTRATION

The Administration requests $274.4 million in discretionary burial administration funding and $180.9 million in mandatory spending to provide burial benefits. The burial account includes operating and capital funding for the National Cemetery Administration (NCA), the burial benefits program administered by VBA, and the State Cemetery Grants Program. Specifically, the budget requests $161.3 million for NCA operation and maintenance of 125 national cemeteries and 33 soldiers' and sailors' lots, plots and monument sites in 2005 and $113 million for major construction, minor construction, and funding for the State Cemetery Grants Program. The budget requests $180.9 million in mandatory spending to provide burial benefits on behalf of eligible deceased veterans and eligible deceased dependents.

The budget request supports 1,611 FTEE in NCA, an increase of 23 over the fiscal year 2004 request, and 168 FTEE in VBA, a decrease of 6 FTEE over last year's request. The Committee supports these requests.

The Administration requests $113 million to develop new national cemeteries, expand and create additional gravesites at existing national cemeteries, and provide grants for state cemeteries. The funds would be used to develop and/or expand cemeteries in the following locations:

* Sacramento, California, phase one development of a new national cemetery;

* Florida National Cemetery at Bushnell, gravesite expansion and cemetery improvements;
* Rock Island, Illinois, gravesite expansion and cemetery improvements; and
* Ft. Snelling, Minnesota, gravesite expansion and cemetery improvements

NCA maintains almost 2.6 million gravesites in 39 states, the District of Columbia and Puerto Rico. Of the 125 national cemeteries, 60 have available, unassigned gravesites for burial of both casketed and cremated remains; 23 will only accept cremated remains and the remains of family members for interment in the same gravesite as a previously deceased family member; and 37 are closed to new interments, but may accommodate family members in the same gravesite as a previously deceased family member.

Occupied graves maintained by NCA are projected to increase from 2,574,489 in fiscal year 2003 to over 3,041,000 in 2009. NCA continues to develop new cemeteries in areas not presently served by NCA: Atlanta, Georgia; Detroit, Michigan; Miami, Florida; Pittsburgh, Pennsylvania; and Sacramento, California.

Pursuant to section 613 of Public Law 106–117, the Veterans Millennium Health Care and Benefits Act, VA awarded a contract to Logistics Management Institute (LMI) to conduct an assessment of the current and future burial needs of veterans. Volume 1 of the study, entitled "Future Burial Needs," identified areas of the country where new national cemeteries might be constructed. The LMI study projected burial needs in 5-year increments to the year 2020 based on data derived from the 1990 census. In June 2003, VA updated the burial needs report to reflect the veterans' population from the 2000 census.

Based on the LMI rankings of the areas of the country most in need of a national cemetery burial option, Congress passed the National Cemetery Expansion Act of 2003, Public Law 108–109, signed on November 11, 2003. It requires the Secretary to establish six additional national cemeteries by 2008 in the following areas: Southeastern Pennsylvania; Birmingham, Alabama; Jacksonville, Florida; Bakersfield, California; Greenville/Columbia, South Carolina; and Sarasota, Florida. The budget requests $1 million in Advance Planning Funds and includes funds for the site selection process for the six new national cemeteries authorized by this law. The Committee supports this request.

Volume 2 of the LMI study, entitled "National Shrine Commitment," was a report on capital improvements needed at existing veterans' cemeteries. The budget request does not provide funding for 928 full-scale cemetery restoration and repair projects, estimated to cost $279 million, as determined by the LMI study. Instead, the budget reflects a shift in funding for projects to improve the appearance of cemetery assets, and requests $15 million for funding gravesite renovations and cemetery repair and infrastructure projects, to be accomplished through the Minor Construction program.

The Committee recommends a five-year, $300 million restoration and improvements project at existing cemeteries. The Committee recommends an additional first-year appropriation of $50 million for fiscal year 2005 to address this problem.

DEPARTMENT OF LABOR

VETERANS' EMPLOYMENT AND TRAINING SERVICE

The Veterans' Employment and Training Service (VETS) of the U.S. Department of Labor furnishes employment and training opportunities to veterans. The Assistant Secretary for VETS serves as the principal advisor to the Secretary of Labor on all policies and procedures affecting veterans. VETS also administers grants to States, public entities and non-profits, including faith-based organizations, to help veterans find jobs.

The Administration requests $220.6 million for all VETS programs, a $1.9 million increase over the appropriated level for fiscal year 2004; $162.4 million for State grants (Disabled Veterans' Outreach Program and the Local Veterans' Employment Representative program); $29.7 million for program administration activities; $2 million for the National Veterans' Employment and Training Services Institute; $19 million for the Homeless Veterans' Reintegration Program; and $7.5 million for the Veterans' Workforce Investment Program.

The Committee supports this request and expects states to continue to use the flexibility furnished in the Jobs for Veterans Act to determine the number and role of DVOPs and LVERs in their state service plans. The Committee desires states to use such flexibility to tailor services to meet veterans' needs.

LEGISLATION THE COMMITTEE MAY REPORT WITH DIRECT SPENDING IMPLICATIONS

The Committee intends to continue its emphasis on economic opportunity for those who have worn the military uniform. Committee legislative accomplishments to date include: The Veterans Entrepreneurship and Small Business Development Act of 1999 (Public Law 106–50), the Jobs for Veterans Act (Public Law 107–288), aspects of the Veterans Benefits Act of 2003 (Public Law 108–183), and the Veterans Education and Benefits Expansion Act of 2001 (Public Law 107–103), which provided a 46 percent increase in the Montgomery GI Bill over three years.

On-Job Training and Apprenticeship.—Congress has not comprehensively updated the on-job training (OJT) and apprenticeship programs under the Montgomery GI Bill (MGIB) and other VA educational assistance programs since World War II. Some apprenticeships in today's workplace can last as long as five years and most are competency-based. Title 38, United States Code, limits itself to time-based learning on the job. In addition, many technical and technology-based employers require that workers meet occupational licensing, certification, or other credentialing requirements that are an "outgrowth" of such training. Although different from apprenticeships, on-job training is still time-based and lasts up to two years.

About 65 percent of servicemembers are married and many have children at the time they separate from active duty. "Earning and learning" on the job under a structured, VA-approved OJT or apprenticeship program could serve as an excellent transition tool. The Department of Labor reported in 2003 that the average unem-

ployment rate for recently separated male veterans ages 20 to 24 years was 11.5 percent, and 8.7 percent for similar female veterans. For 20–24 year old black male and female veterans, the 2003 unemployment rate was 21.9 and 13.9 percent, respectively. For 20–24 year old male and female Hispanic veterans, the 2003 unemployment rate was 8.7 percent and 21.4 percent, respectively.

The Subcommittee on Benefits held a public hearing on OJT and apprenticeship programs on April 30, 2003. Business, industry, and organized labor representatives testified that a modernized statute reflecting the nature of structured training in today's workplace would help improve participation of recently-separated veterans in VA's OJT and apprenticeship programs because employers likely would be more willing to participate.

The Committee may report legislation to modernize this program for business and industry. The Committee estimates the cost to be $187 million for fiscal year 2005, with a five-year cost of $769 million, and a 10-year cost of $1.782 billion.

ADDITIONAL VIEWS AND ESTIMATES

HONORABLE BOB FILNER

I am submitting the following additional views on the budget for FY2005 to the Committee on Veterans' Affairs.

For years, I have relied on The Independent Budget, a comprehensive budget and policy document created by veterans for veterans. Developed by four veterans service organizations, AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States, and endorsed by over thirty additional organizations, this budget is a collaborative effort to present recommendations on policy and the budget regarding veterans' programs administered by the Department of Veterans Affairs (VA).

For FY2005, the Independent Budget recommends $29.8 billion, an increase of $3.1 billion over the President's Budget Request for medical care and $33.5 billion, an increase of $3.9 billion over the President's Budget Request for VA discretionary funding.

The recommendations of the Independent Budget meet the needs of our veterans seeking health care and other services from the VA. We must realize that the costs of war include taking care of veterans returning with physical and mental wounds. We must respond to the growing number of older veterans who need long-term care. We must re-open enrollment for VA health care to all veterans.

To address these and other veterans' needs, I recommend that we follow the lead of the Independent Budget. I urge the Committee on the Budget to consider an additional $3.9 billion in budget authority for VA's discretionary programs.

HONORABLE CORRINE BROWN

Time and time again our veterans get the shaft. President Bush came out with a budget that short changes the middle class, children, seniors, and our veterans.

It is mind blowing to me that the Bush Administration is going to make the trillion dollar deficit they created even worse by keeping the tax cuts it gave to the wealthy. Americans deserve to have a President who looks out for the interests of the nation as a whole, not just for an elite few.

Adding to this deficit is the proposal to increase NASA's budget by $1 billion dollars. Although I support NASA, this funding will come at the expense of our Nation's veterans who are waiting for a simple appointment with the doctor. HUD has already been stripped to the bone and I am worried that VA is next. America made a commitment to care for those who answered our Nation's call to service, and we are not honoring that commitment. If we can come up with an additional $1 billion for NASA, then surely we can give VA the money that it needs to provide for our veterans.

We have given approximately $150 billion to the ongoing war in Iraq. We should be able to give VA enough money to take care of our soldiers when they return. The Bush Administration should be ashamed.

President Bush is cutting funding for veterans' medical care in 2005. CBO has stated that the amount the President is providing is $257 million below what is needed to MAINTAIN purchasing power at 2004 levels. The Secretary of Veterans Affairs has testified that he sought $1.2 billion more than what the President provided. The fiscal year 2005 budget is a perfect example of how the Bush Administration is failing to treat our veterans with the respect that they have earned.

I am very concerned that enrollment in the VA healthcare system continues to grow and of VA's inability to respond to veterans' needs once enrolled. Although VA is reporting that only 36,000 patients are waiting six months or more to see a VA physician, 2.4 million additional veterans are expected to enroll in VA healthcare for fiscal year 2005. Many of these veterans are not expected to use healthcare services, but the number is alarming.

VA is facing a decrease of $21 million below the fiscal year 2004 appropriation for medical and prosthetic research. I have been to Walter Reed and have seen the physical scars that have been left on our soldiers returning home from Afghanistan and Iraq. Many of the soldiers that I visited with are amputees. How can the Bush Administration decrease prosthetic research at a time when a new round of soldiers is returning home and could benefit from new technology? I would like to see VA receive additional funding for medical research coupled with an increase in medical care funds to support these activities.

We show potential and current members of the Armed Forces how America honors their sacrifice by how well we treat our veterans. This budget is not adequate to meet the needs of 25 million of our Nation's finest individuals. President Bush needs to start walking the walk if he is going to talk the talk. Wearing a flightsuit and landing on a carrier does not take care of the needs of former members of our Nation's military.

Comparison of FY 2005 Budget Proposals: VA Department – VA Committee – Independent Budget

(Dollars in Millions)

	Department of Veterans Affairs (VA) FY 2004 Final Approp.	**VA's FY 2005 Budget Request**	VA FY 2005 Request Compared to FY 2004 Final	**Committee on Veterans' Affairs (HCVA) FY 2005 Recommend**	HCVA FY 2005 Compared to Admin. FY 2005 Request	**Independent Budget (IB) FY 2005 Recommend**	IB FY 2005 Compared to Admin. FY 2005 Request
Medical Care[1]	$25,938	**$26,646**	$708	**$28,994**	$2,348	**$29,791**	$3,145
MCCF and HSIF Receipts	1,752	**2,419**	667	**1,927**	– 492	*No estimate*	.....
Medical and Prosthetic Research	406	**385**	– 21	**415**	30	**460**	75
MAMOE	79	**87**	8	**87**	0	**87**	0
VA Medical Construction, Major	614	**401**	– 213	**401**	0	**571**	170
VA Medical Construction, Minor	206	**182**	– 24	**182**	0	**545**	363
VA State Home Grants	101	**105**	4	**105**	0	**150**	45
VA State Cemetery Grants	32	**32**	0	**32**	0	**37**	5
General Operating Expenses	1,276	**1,325**	49	**1,375**	50	**1,618**	293
National Cemetery Administration	143	**149**	6	**199**	50	**175**	26
Inspector General	62	**65**	3	**65**	0	**62**	– 3
Other Discretionary	280	**277**	– 3	**323**	46	**100**	– 177
VA Discretionary (*Excluding MCCF and HSIF Receipts*)	29,137	**29,654**	517	**32,178**	2,524	**$33,596**	$3,942
Total VA Discretionary (*INCLUDING Receipts*)	30,889	**32,073**	1,184	**34,105**	2,032	.....	.....
VA Baseline Mandatory	31,166	**35,252**	4,086	**35,252**	0	*No estimate*	.....
Committee Legislative Proposal				**187**	187	*No estimate*	.....
Total VA Mandatory Spending	31,166	**35,252**	4,086	**35,439**	187	*No estimate*	.....
TOTAL VA BUDGET (Mandatory and Discretionary)	$62,055	**$67,325**	$5,270	**$69,544**	$2,219	.....	.....

[1] FY 2004 Medical Care number assumes transfer of $400 million from Medical Care to Major Medical Construction per P.L. 108–199.

MESSAGES FROM THE PRESIDENT AND EXECUTIVE COMMUNICATIONS

PRESIDENTIAL MESSAGES

Feb. 13, 2003:

Communication from the President of the United States, transmitting the Administration's 2003 National Drug Control Strategy, pursuant to 21 U.S.C. 1505.

June 16, 2003:

Communication from the President of the United States, transmitting a report entitle, "Demand Reduction Agenda: Critical Programs".

Mar. 2, 2004:

Communication from the President of the United States, transmitting the Administration's 2004 National Drug Control Strategy, pursuant to 21 U.S.C. 1705.

EXECUTIVE COMMUNICATIONS

Jan. 7, 2003:

Letter from the the Executive Secretary, the Disabled American Veterans, transmitting the 2002 National Convention Proceedings of the Disabled American Veterans, pursuant to 36 U.S.C. 90i and 44 U.S.C. 1332.

Jan. 27, 2003:

Letter from the Deputy General Counsel, Department of Veterans Affairs, transmitting the Department's final rule—Health Care for Certain Children of Vietnam Veterans—Covered Birth Defects and Spina Bifida (RIN: 2900–AK88) Received January 8, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Jan. 27, 2003:

Letter from the Acting Director, Office of Regulatory Law, Department of Veterans Affairs, transmitting the Department's final rule—Extension of the Presumptive Period for Compensation for Gulf War Veteran's Undiagnosed Illnesses (RIN: 2900–AK98) Received January 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A).

Jan. 27, 2003:

Letter from the Acting Director, Office of Regulatory Law, Department of Veterans Affairs, transmitting the Department's final rule—Vocational Training for Certain Children of Vietnam Veterans—Covered Birth Defects and Spina Bifida (RIN: 2900–AK90) Received December 4, 2002, pursuant to 5 U.S.C. 801(a)(1)(A).

Jan. 27, 2003:

Letter from the The American Legion, transmitting the financial statement and independent audit of The American Legion proceedings of the 84th annual National Convention of the American Legion, held in Charlotte, North Carolina from August 27, 28, and 29, 2002 and a report on the Organization's activities for the year preceding the Convention, pursuant to 36 U.S.C. 49.

Jan. 31, 2003:

Letter from the Deputy General Counsel, Department of Veterans Affairs, transmitting the Department's final rule—Enrollment—Provision of Hospital and Outpatient Care to Veterans Subpriorities of Priority Categories 7 and 8 and Annual Enrollment Level Decision (RIN: 2900–AL51) Received January 22, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Feb. 5, 2003:

Letter from the Deputy General Counsel, Department of Veterans Affairs, transmitting the Department's final rule—VA Acquisition Regulation: Simplified Acquisition Procedures for Health-Care Resources (RIN: 2900– AI71) Received January 22, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Mar. 18, 2003:

Letter from the Deputy General Counsel, Department of Veteran Affairs, transmitting the Department's final rule—Loan Guaranty: Implementation of Public Law 107–103 (RIN: 2900–AL23) Received February 6, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

March 20, 2003:

Letter from the Deputy General Counsel, Board of Veterans' Appeals, Department of Veterans Affairs, transmitting the Department's final rule—Appeals Regulations: Title for Members of the Board of Veterans' Appeals (RIN: 2900–AK62) Received February 10, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

March 20, 2003:

Letter from the Deputy General Counsel, Department of Veterans Affairs, transmitting the Department's final rule—Provision of Drugs and Medicines to Certain Veterans in State Homes (RIN: 2900–AJ34) Received March 12, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Mar. 20, 2003:

Letter from the General Counsel, Department of Defense, transmitting the Department's legislative proposal entitled, "To authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2004, and for other purposes".

Mar. 24, 2003:

Letter from the Deputy General Counsel, VHA, Department of Veterans Affairs, transmitting the Department's final rule—VA Homeless Providers Grant and Per Deim Program (RIN: 2900–AL30) Received March 18, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Apr. 7, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice-Appeal Withdrawal (RIN: 2900–AK71) Received March 31, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Apr. 10, 2003:

Letter from the Under Secretary, Department of Defense, transmitting the Department's plan to implement legislation concerning the transfer of Montgomery GI Bill entitlements to family members, pursuant to 38 U.S.C. 3020 Public Law 107–107, Section 654.

Apr. 10, 2003:

Letter from the Assistant Secretary, Department of Defense, transmitting a report on Outreach to Gulf War Veterans Calendar Year 2002.

Apr. 10, 2003:

Letter from the Secretary, Department of Veterans Affairs, transmitting the Department's seventh report describing the administration of the Montgomery GI Bill educational assistance program.

Apr. 10, 2003:

Letter from the Secretaries, Departments of Defense and Veterans Affairs, transmitting a report on the implementation of the health resources sharing portion of the Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act, pursuant to 38 U.S.C. 8111(f).

Apr. 12, 2003:

Letter from the Secretary, Department of Veterans Affairs transmitting a report covering those cases in which equitable relief was granted in calendar year 2002, pursuant to 38 U.S.C. 210(c)(3)(B).

Apr. 29, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Referrals of Information Regarding Criminal Violations (RIN: 2900–AL31) Received April 12, 2003, pursuant to 5 U.S.C., 801(a)(1)(A).

Apr. 29, 2003:

Letter from the Under Secretary, Department of Defense, transmitting the biennial report on the Montgomery GI Bill Education Benefits Program.

May 7, 2003:

Letter from the Chairman, Department of Veterans Affairs, transmitting the Department's report of the chairman.

May 8, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Reasonable Charges for Medical Care or Services; 2003 Update (RIN: 2900–AL57) Received April 22, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

May 8, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility for Burial of Adult Children; Eligibility for Burial of Minor Children; Eligibility for Burial of Certain Filipino Veterans (RIN: 2900–AI95) Received March 31, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

June 2, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Schedule for Rating Disabilities: Evaluation of Emeritus (RIN: 2900–AK86) Received May 14, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

June 11, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—

Compensation and Pension Provisions of the Veterans Education and Benefits Expansion Act of 2001 (RIN: 2900–AL29) June 6, 2002, pursuant to 5 U.S.C. 801(a)(1)(A).

June 16, 2003:

Letter from the Deputy General Counsel, Veterans Health Administration, Department of Veterans Affairs, transmitting the Department's final rule—Fisher Houses and Other Temporary Lodging (RIN: 2900–AL13) Received February 21, 2003, pursuant to 5 U.S.C. 80l(a)(1)(A).

June 19, 2003:

Letter from the Under Secretary for Health and Assistant Secretary of Defense, Health Affairs, Departments of Veterans Affairs and Defense, transmitting a letter concerning a joint review of the adequacy of processes and existing authorities for the coordination and sharing of health care resources, pursuant to Pubic Law 107–314, Section 723.

June 26, 2003:

Letter from the Associate Administrator, Office of Veterans Business Development, Small Business Administration, transmitting a letter regarding a report describing the activities of the Committee and any recommendations developed by the Committee for the promotion of small business concerns owned and controlled by veterans.

July 7, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Increase in Rates Payable Under the Montgomery GI Bill—Active Duty and Survivors' and Dependents' Educational Assistance Program (RIN: 2900–AL17) Received June 9, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

July 7, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Additional Opportunity to Participate in the Montgomery GI Bill and Other Miscellaneous Issues (RIN: 2900–AK81) Received June 9, 2003, pursuant to 5 U.S.C; 801(a)(1)(A).

July 8, 2003:

Letter from the Secretary of Veterans Affairs, Department of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II and survivors of such veterans and extend health care benefits to certain Filipino veterans residing legally in the United States.

July 8, 2003:

Letter from the Under Secretary, Department of Defense, transmitting the biennial report on the Montgomery GI Bill for Members of the Selected Reserve.

July 15, 2003:

Letter from the Deputy General Counsel, Department of Veterans Affairs, transmitting the Department's final rule—Recognition of Organizations and Accreditation of Representatives, Attor-

neys, and Agents (RIN: 2900–AI93) Received July 7, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

July 24, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Presumption of Service Connection for Cirrhosis of the Liver in Former Prisoners of War (RIN: 2900–AL36) Received July 21, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

July 24, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Increase in Rates Payable Under the Montgomery GI Bill—Selected Reserve (RIN:2900–AL41) Received July 21, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

July 24, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Medication Prescribed by Non-VA Physicians (RIN: 2900–AL68) Received July 23, 2003, pursuant to 5 U.S.C. 80l(a)(1)(A).

July 25, 2003:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft of proposed legislation relating to amending title 38 of the United States Code to modify and improve authorities relating to former prisoners of war.

July 25, 2003:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft bill "To amend title 38, United States Code, to simplify and improve pay provisions for physicians and dentists, to authorize alternate work schedules and executive pay for nurses".

Sept. 9, 2003:

Letter from the Director, Regulations Management, Department of Veteran's Affairs, transmitting the Department's final rule—Effective Dates of Benefits for Disability or Death Caused By Herbicide Exposure; Disposition of Unpaid Benefits After Death of Beneficiary (RIN: 2900–AL37) Received August 26, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 9, 2003:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft bill, "To amend Title 38, United States Code, to enhance the ability of the Department of Veterans Affairs to care for veterans, and for other purposes".

Sept. 10, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Schedule for Rating Disabilities; The Spine (RIN: 2900–AJ60) Received September 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 15, 2003:

Letter from the Secretaries, Departments of Health and Human Services, Defense and Veterans Affairs, transmitting a report entitled "Report to Congress on Accounting for VA and DoD Expenditures for Medicare Beneficiaries".

Sept. 25, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice—Motions for Revision of Decisions on Grounds of Dear and Unmistakable Error: Advancement on the Docket (RIN: 2900–AJ85) Received September 23, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 25, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Speeding Appellate Review for Aging Veterans (RIN: 2900–AL08) Received September 23, 2003, pursuant to 5 U.S.C, 801(a)(1)(A).

Sept. 25, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—VA Homeless Providers Grant and Per Diem Program (RIN: 2900–AL30) Received September 24, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 25, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility for an Appropriate Government Marker for a Grave Already Marked at Private Expense (RIN: 2900–AL40) Received September 24, 2003, pursuant to 5 U.S.C. 80l(a)(1)(A).

Sept. 25, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Compensation and Pension Provisions of the Veterans Benefits Act of 2002 (RIN: 2900–AL62) Received September 24, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 24, 2003:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft bill, "To amend Title 38, United States Code, to strengthen the ability of the Secretary of Veterans Affairs to manage Veterans Health Administration medical personnel effectively, and for other purposes".

Oct. 29, 2003:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Exclusions from Income and Net Worth Computations (RIN: 2900–AJ52) Received October 27, 2003, pursuant to 5 U.S.C, 801(a)(1)(A).

Oct. 29, 2003:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Co-payments for Inpatient Hospital Care Provided to Veterans Enrolled in Priority Category 7 (RIN: 2900–AL35) Received October 27, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 29, 2003:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Independent Study Approved for Certificate Programs and Other Miscellaneous Issues (RIN: 2900–AL34) Received October 16, 2003, pursuant to 5 U.S.C. 80l(a)(1)(A).

Oct. 29, 2003:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Disease Associated with Exposure to Certain Herbicide Agents: Chronic Lymphocytic Leukemia (RIN: 2900–AL55) Received October 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Nov. 21, 2003:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft bill, "To amend title 38, United States Code, to improve veterans' benefits programs, and for other purposes".

Nov. 25, 2003:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Accelerated Payments Under the Montgomery GI Bill—Active Duty Program (RIN: 2900–AL22) Received June 12, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Nov. 25, 2003:

Letter from the Director, Office of Regulation Policy and Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increases Allowances for the Educational Assistance Test Program (RIN: 2900–AL52) Received November 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Dec. 8, 2003:

Letter from the the National Adjutant, the Disabled American Veterans, transmitting 2003 National Convention Proceedings Of The Disabled American Veterans, pursuant to 36 U.S.C. 9Oi and 44 U.S.C, 1332.

Dec. 8, 2003:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice; Use of Supplemental Statement of the Case (RIN: 2900–AL42) Received November 13, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Jan. 23, 2004:

Letter from the Director, Office of Personnel Management, transmitting the Office's Fiscal Year 2002 annual report on Veteran's Employment in the Federal Government, pursuant to 38 U.S.C. 4214(e)(1).

Jan. 27, 2004:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Reasonable Charges for Medical Care or Services; 2003 Methodology

Changes (RIN: 2900–AL06) Received December 15, 2003, pursuant to 5 U.S.C. 801(a)(1)(A).

Jan. 30, 2004:

Letter from the Secretary, Department of Veterans Affairs, transmitting the Special Medical Advisory Group's Annual Report to Congress for FY 2003, pursuant to 38 U.S.C. 4112(a).

Feb. 4, 2004:

Letter from the The American Legion, transmitting the financial statement and independent audit of The American Legion proceedings of the 85th annual National Convention of the American Legion, held in St. Louis, Missouri from August 26, 27, and 28, 2003 and a report on the Organization's activities for the year preceding the Convention, pursuant to 36 U.S.C. 49.

Feb. 10, 2004:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Charges Used for Recovery from Tortuously Liable Third Parties for Medical Care or Services Provided by the Department of Veterans Affairs (RIN: 2900–AL48) Received January 8, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Mar. 12, 2004:

Letter from the Director, Regulations Management, Office of Regulation, Policy, and Management, Department of Veterans Affairs, transmitting the Department's final rule—Delegation of Authority—Property Management Contractor (RIN: 2900–AL85) Received March 4, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Mar. 16, 2004:

Letter from the Director, Regulations Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility for an Appropriate Government Marker for a Grave Already Marked at Private Expense (RIN: 2900–AL40) Received March 8, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Mar. 25, 2004:

Letter from the Assistant Secretary for Health Affairs, Department of Defense, transmitting notice of a delayed delivery date for the final VA/DoD Joint Assessment Study, as required by Section 8147 of the Department of Defense Appropriations Act for FY 2002.

Mar. 30, 2004:

Letter from the General Counsel, Department of Defense, transmitting the Department's legislative initiatives for inclusion in the National Defense Authorization Act for FY 2005.

Apr. 21, 2004:

Letter from the Secretary, Department of Veterans Affairs, transmitting a report covering those cases in which equitable relief was granted in calendar year 2003, pursuant to 38 U.S.C. 503(c).

Apr. 22, 2004:

Letter from the Secretary, Department of Labor, transmitting the first report of the President's National Hire Veterans Committee, pursuant to 38 U.S.C. 4100 Note.

Apr. 26, 2004:

Letter from the Director, Regulations Management, Office of Regulation, Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice—Notice Procedures Relating to Withdrawal of Services by a Representative (RIN: 2900–AL45) Received April 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

May 5, 2004:

Letter from the Director, Regulations Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule—State Cemetery Grants (RIN: 2900–AH46) Received April 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

May 5, 2004:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice—Medical Opinions From the Veterans Health Administration (RIN: 2900–A K52) Received April 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

May 20, 2004:

Letter from the Secretary, Department of Veterans Affairs, transmitting the Department's Capital Asset Realignment for Enhanced Services (CARES) Decision, pursuant to Public Law 108–170. Section 222.

June 9, 2004:

Letter from the Chairman, Board of Veterans' Appeals, Department of Veterans Affairs, transmitting a copy of the Report of the Chairman for FY 2003.

June 17, 2004;

Letter from the Secretaries, Departments of Defense and Veterans Affairs, transmitting a report for FY 2003 regarding the implementation of the health coordination and sharing activities portion of the National Defense Authorization Act of 2003 (Pub. L. 107–314) and an estimate of the cost to prepare this report, as required by Title 38, Chapter 1, Section 116, pursuant to 38 U.S.C. 8111(f).

July 7, 2004:

Letter from the Director, Regulations Management, Veterans Health Administration, Department of Veterans Affairs, transmitting the Department's final rule—VA Homeless Providers Grant and Per Diem Program; Religious Organizations (RIN: 2900–AL63) Received June 7, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

July 7, 2004:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice—Motions for Revision of Decision on Grounds of Clear and Unmistakable Error: Advancement on the Docket (RIN: 2900–AJ85) Received May 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

July 7, 2004:

Letter from the Director, Regulations Management, Veterans Health Administration, Department of Veterans Affairs, transmitting the Department's final rule—Sensori-Neural Aids (RIN: 2900–AL60) Received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

July 7, 2004:

Letter from the Director, Regulations Management, Veterans Health Administration, Department of Veterans Affairs, transmitting the Department's final rule—Priorities for Outpatient Medical Services and Inpatient Hospital Care (RIN: 2900–AL39). Received June 17, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

July 7, 2004:

Letter from the Director, Regulations Management, Veterans Health Administration, Department of Veterans Affairs, transmitting the Department's final rule—Change of Effective Date of Rule Adding a Disease Associated With Exposure to Certain Herbicide Agents: Type 2 Diabetes (RIN: 2900–AL93) Received June 7, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

July 9, 2004:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft bill ″To amend title 38, United States Code, to improve the authorities of the Department of Veterans Affairs relating to compensation, dependency and indemnity compensation, life insurance benefits, memorial benefits, and education benefits, and for other purposes″.

Sept. 13, 2004:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Additional Disability or Death Due to Hospital Care, Medical or Surgical Treatment, Examination, Training and Rehabilitation Services, or Compensated Work Therapy Program (RIN: 2900–AK77) Received July 30, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 13, 2004:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management. Veterans Health Administration, Department of Veterans Affairs, transmitting the Department's final rule—Copayments for Extended Care Services (RIN: 2900–AL49) Received June 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 13, 2004

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility for Burial in a National Cemetery for Surviving Spouses Who Remarry and New Philippine Scouts (RIN: 2900–AM00) Received June 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 29, 2004:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Compensation for Certain Cases of Bilateral Deafness (RIN: 2900–AL59) Received August 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 5, 2004:

Letter from the Assistant Secretary of Defense for Health Affairs and the Acting Under Secretary for Health, Departments of Defense and Veterans Affairs, transmitting as required by Section

8147 of the Department of Defense Appropriations Act for FY 2002, the Findings and Recommendations from the Department of Defense (DoD)/Department of Veterans Affairs (VA) Joint Assessment Study.

Oct. 7, 2004:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Obtaining Evidence and Curing Procedural Defects (RIN: 2900–AL77) Received August 30, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 8, 2004:

Letter from the Chief, Reg. Development Ofc. of Regulations Policy & Mgt. VA, Department of Veterans Affairs, transmitting the Department's final rule—Presumptions of Service Connection for Diseases Associated with Service Involving Detention or Internment as a Prisoner of War (RIN: 2900–AM09) Received October 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Nov. 16, 2004:

Letter from the the National Adjutant, the Disabled American Veterans, transmitting 2004 National Convention Proceedings Of The Disabled American Veterans, pursuant to 36 U.S.C. 90i and 44 U.S.C. 1332.

Nov. 19, 2004:

Letter from the Office of Regulation Policy & Mgt., VA, Department of Veterans Affairs, transmitting the Department's final rule—Increase in Rates Payable Under the Survivors' and Dependents' Education Assistance Program (RIN: 2900–AL64) Received October 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Nov. 19, 2004:

Letter from the Office of Regulation Policy & Mgt., VA, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increased Allowances for the Educational Assistance Test Program (RIN: 2900–AL81) Received October 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Nov. 19, 2004:

Letter from the Office of Regulation Policy & Mgt., VA, Department of Veterans Affairs, transmitting the Department's final rule—Increase in Rates Payable Under the Montgomery GI Bill—Selected Reserve (RIN: 2900–AL80) Received October 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

Nov. 19, 2004:

Letter from the Office of Regulation Policy & Mgt., VA, Department of Veterans Affairs, transmitting the Department's final rule—Standards for Collection, Compromise, Suspension, or Termination of Collection Effort, and Referral of Civil Claims for Money or Property; Regional Office Committees on Waivers and Compromises; Salary Offset Provisions; Delegations of Authority (RIN: 2900–AK10) Received October 22, 2004, pursuant to 5 U.S.C. 801(a)(A).

Nov. 19, 2004:

Letter from the Office of Regulation Policy & Mgt., VA, Department of Veterans Affairs, transmitting the Department's final rule—Waivers (RIN: 2900–AK29) Received October 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

STATISTICAL DATA—WAR VETERANS AND DEPENDENTS

(AS OF SEPTEMBER 2004)

AMERICAN REVOLUTION (1775–1783)

Total Servicemembers.....217,000
Battle Deaths.....4,435
Non-mortal Woundings.....6,188
Last Veteran, Daniel F. Bakeman, died April 5, 1869, ...age 109
Last Widow, Catherine S. Damon, died November, 11, 1906, ...age 92
Last Dependent, Phoebe M. Palmeter, died April 25, 1911, ...age 90

WAR OF 1812 (1812–1815)

Total Servicemembers.....286,730
Battle Deaths.....2,260
Non-mortal Woundings.....4,505
Last Veteran, Hiram Cronk, died May 13, 1905, ...age 105
Last Widow, Carolina King, died June 28, 1936, ...age unknown
Last Dependent, Esther A.H. Morgan, died March 12, 1946, ...age 89

INDIAN WARS (approx. 1817–1898)

Total Servicemembers.....[1] 106,000
Battle Deaths.....[1] 1,000
Last Veteran, Fredrak Fraske, died June 18, 1973, ...age 101

MEXICAN WAR (1846–1848)

Total Servicemembers.....78,718
Battle Deaths.....1,733
Other Deaths in Service 11,550
Non-mortal Woundings.....4,152
Last Veteran, Owen Thomas Edgar, died September 3, 1929, ...age 98
Last Widow, Lena James Theobald, died June 20 1963, ...age 89
Last Dependent, Jesse G. Bivens, died November 1, 1962, ...age 94

CIVIL WAR (1861–1865)

Total Servicemembers (Union).....2,213,363
Battle Deaths (Union).....140,414
Other Deaths in Service (Union) 224,097
Non-mortal Woundings (Union).....281,881
Total Servicemembers (Confederate).....1,050,000
Battle Deaths (Confederate).....74,524
Other Deaths in Service (Confederate).....[2] 59,297
Non-mortal Woundings (Confederate).....Unknown
Last Union Veteran, Albert Woolson, died August 2, 1956, ...age 109
Last Confederate Veteran, John Salling, died March 16, 1958, ...age 112
Last Union Widow, Gertrude Janeway, died January 17, 2003, ...age 93

SPANISH-AMERICAN WAR (1898–1902)

Total Servicemembers (Worldwide)	306,760
Battle Deaths	385
Other Deaths in Service	2,061
Non-mortal Woundings	1,662
Last Veteran, Nathan E. Cook, died September 10, 1992,	age 106

WORLD WAR I (1917–1918)

Total Servicemembers (Worldwide)	4,734,991
Battle Deaths	53,402
Other Deaths in Service	63,114
Non-mortal Woundings	204,002
Living Veterans	[1] Approximately 100

WORLD WAR II (1940–1945)

Total Servicemembers (Worldwide)	16,112,566
Battle Deaths	291,557
Other Deaths in Service	113,842
Non-mortal Woundings	671,846
Living Veterans	[1] 3,984,200

KOREAN CONFLICT (1950–1953)

Total Servicemembers (worldwide)	5,720,000
Battle Deaths	33,741
Other Deaths (In theater)	2,835
Other Deaths in Service	17,670
Non-mortal Woundings	103,284
Living veterans	[1] 3,423,300

VIETNAM ERA (1964–1975)

Total Servicemembers (Worldwide)	9,200,000
Deployed to Southeast Asia	3,403,000
Battle Deaths	47,415
Other Deaths (In Theater)	10,785
Other Deaths in Service	est. 32,000
Non-mortal Woundings	153,303
Living Veterans	[1] 8,122,000

DESERT SHIELD/DESERT STORM (1990–1991)

Total Servicemembers (Worldwide)	2,322,332
Deployed to Gulf	694,550
Battle Deaths	147
Other Deaths (In Theater)	235
Other Deaths in Service	914
Non-mortal Woundings	467
Living Veterans	1,900,000

WAR ON TERRORISM (2001–PRESENT)

Total U.S. Servicemembers (Worldwide).....1,428,383
Deployed to Iraq & Afghanistan.....185,329
Battle Deaths.....848
Other Deaths (In Theater).....341
Non-mortal Woundings.....5,828
Living Veterans.....[3] 194,700

AMERICA'S WARS TOTAL

Military Service During War.....42,353,843
Battle Deaths.....651,254
Other Deaths (In Theater).....13,919
Other Deaths in Service (Non-Theater).....524,545
Non-mortal Woundings.....1,434,076
Living War Veterans.....[4] 16,522,400
Living Veterans.....24,737,500

Veterans and Dependents on the Compensation and Pension Rolls

(As of September 2004)

	VETERANS	CHILDREN	PARENTS	SURVIVING SPOUSES
Civil War	.....	5	.....	.....
Indian Wars	.....	.....	.....	.....
Spanish-American War	.....	150	.....	192
Mexican Border	5	23	.....	101
World War I	26	4,486	1	11,773
World War II	506,399	16,818	429	247,296
Korean Conflict	236,628	3,646	674	62,292
Vietnam Era	1,028,022	11,133	4,358	138,204
Gulf War	540,193	10,997	560	10,061
TOTAL WARTIME	**2,898,599**	**51,757**	**7,681**	**503,760**
Nonservice-connected	342,903	22,852	.....	199,614
Service-connected	2,555,696	28,905	7,681	304,146

Source: Department of Defense (DOD), except living veterans, which are VA estimates.

Periods of service used in Census data may differ slightly from those of DOD. For compensation and pension purposes, the Gulf War period has not yet been terminated and includes those discharged from 1991 to date. The living Gulf War veterans estimate is for the peak 1990–1991 period only.

"Other Deaths in Service" is the number of servicemembers who died while on active duty, other than those attributable to combat, regardless of the location or cause of death.

[1] VA estimate as of September 30, 2004.

[2] Does not include 26,000 to 31,000 who died in Union prisons.

[3] VA estimate may include veterans who both served in Iraq and Afghanistan.

[4] Unless otherwise indicated, estimates for living U.S. veterans are based on the 2000 Census, except for WWI, which is based on the 1990 Census, the last census to include WWII figures. Dates for periods of service used in census data may differ slightly from those of VA and DOD. The total Living War Veterans estimate is not a cumulative of the individual war periods shown, as many veterans served in more than one war.

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