The American Legion

For God and Country

bulletin

National Veterans Affairs and Rehabilitation Commission
1608 K Street, N.W. • Washington, D.C. 20006
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STATEMENT OF
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VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
CURRENT POLICY OF THE DEPARTMENT OF VETERANS AFFAIRS ON PRIORITY GROUP 8 VETERANS

JUNE 20, 2007

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to present The American Legion's views on the current policy of the Department of Veterans Affairs (VA) on Priority Group 8 veterans.

The American Legion strongly believes that all veterans, who are eligible to receive benefits from VA, should have timely access to the VA health care system. For VA to operate under a policy that restricts veterans who, prior to the enactment of this policy, were eligible for VA health care is unacceptable. Honorable military service qualifies a veteran for access to the VA health care system and The American Legion opposes any policy that redefines eligibility for benefits in an attempt to limit enrollment.

In passing the Veterans' Health Care Eligibility Reform Act of 1996, PL 104-262, Congress required VA to furnish hospital care and medical services to, among others, any veteran with a compensable service-connected disability or who is unable to defray the expenses of necessary medical care and services. It further authorized VA, with respect to veterans not otherwise eligible for such care and services, to furnish needed hospital, medical, and nursing home care within existing appropriations. To help supplement the discretionary appropriations, Congress required certain veterans, desiring to enroll in the VA health care delivery system, to agree to make copayments and allow VA to seek third-party reimbursement from private health insurers,

with the exception of the Centers for Medicare and Medicaid Services (CMS) for those beneficiaries.

Although a small percentage of the total veterans population enroll, the response from new veterans enrolling was somewhat overwhelming, largely unanticipated, and drastically under funded, leading to an unprecedented backlog of veterans waiting to receive timely access to quality care at VA medical facilities across the country. In an effort to reduce that backlog, then VA Secretary Anthony Principi suspended enrollment of new Priority Group 8 veterans in January 2003. The American Legion strongly opposed this decision and continues to call for the reinstatement of enrollment for Priority Group 8 veterans.

FY 2007 saw the continuation of suspension of enrollment of new Priority Group 8 veterans due to the increased demands for services. According to VA, the number of Priority Group 8 veterans denied enrollment in the VA health care system as of January 2007 is 378,495. The American Legion believes this number would be significantly higher if it were possible to include those veterans who have not even tried to use the VA since the suspension took effect. The American Legion does not agree with the decision to deny health care to veterans simply to ease a backlog. Denying earned benefits to eligible veterans does not solve the problems resulting from an inadequate Federal budget.

As the Global War on Terrorism continues, fiscal resources for VA will continue to be stretched and veterans will continue to go begging to their elected officials for the money to sustain a viable VA. A viable VA is one that cares for all eligible veterans, not just the most severely wounded or the poorest among us. VA is often the first experience veterans have with the Federal government after leaving the military. This nation's veterans have never let our country down; Congress should do its best to not let them down.

Currently, recently separated veterans of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) are granted access to the VA health care system for two years regardless of possible priority group ranking. By the time the two years expires, they are placed in their appropriate priority group, to include Priority Group 8. Veterans of OIF/OEF who, after the initial two years are placed in Priority Group 8, remain enrolled and continue to receive health care (even though they are Priority Group 8). Those placed in Priority Groups 7 or 8 must agree to make copayments and allow VA to bill, collect, and receive third-party reimbursements from private health insurers in order to receive health care through VA.

Veterans of OIF/OEF who chose not to use VA for their health care needs within the two year time period, and fall into the Priority Group 8 category, will be denied access under the current regulations. This is a travesty, as many times service-connected injuries and illnesses do not manifest until much later in life. For these veterans, medical care must be sought outside of VA.

Access to VA health care will only result in one of two ways. The first way is when a veterans' claim for disability is granted as service-connected and compensable (a 0 percent service-connected disability that is non-compensable will not lift a veteran out of the Priority Group 8 Category). This process can take years if the claim is initially denied. The other is if the veteran's income level falls below the income threshold. That threshold is based on the Department of Housing and Urban Development's geographical index; therefore, the veteran's official zip code influences the formula.

Legislation has been introduced that seeks to increase the amount of time a combat veteran of OIF/OEF can access the VA health care system from 3 to 5 years. While The American Legion supports this legislation, we also strongly urge Congress to recognize the needs of all eligible veterans and repeal the denial of access to VA health care for veterans in Priority Group 8.

Unfortunately, some believe Priority Group 8 veterans are not the "core" of VA's patient population. The American Legion believes every service member is a "core" element of the national security – the total force. The willingness of young Americans to serve will diminish if this country continues to neglect those who have served. Timely access to quality health care offered by VA, the nation's best integrated health care delivery system, is an earned benefit.

The American Legion strongly supports lifting the suspension of enrollment of Priority Group 8 veterans in the VA health care system. VA can no longer restrict enrollment due to inability to meet the demand for care. Those who have served have earned the right to choose health care through the very system created to meet their unique needs.

If an increase in existing appropriations is the problem, then The American Legion strongly recommends looking to alternative revenue streams. Currently, VA is authorized to bill Medicare for the treatment of nonservice-connected medical conditions of enrolled Medicare-eligible veterans in order to collect from private Medicare supplement insurers; however, VA does not receive any reimbursements from CMS for allowable services. This means Medicare, the nation's largest health insurance program, is literally subsidized by VA. Over half of VA's enrolled patient population is currently Medicare-eligible – most of these veterans are currently in Priority Groups 7 and 8.

The American Legion believes many of the veterans currently prohibited from enrolling in Priority Group 8 may very well have alternative health insurance – whether Medicare, TRICARE, TRICARE for Life or private health insurance. Please remember, these veterans agree to make copayments and allow third-party reimbursement from health insurance companies to cover their cost of care. Therefore, the focus should be on collection of accounts receivable from private insurance companies, improvements in billing and coding, and a serious re-evaluation of Medicare reimbursements.

Thank you again for this opportunity to present the views of The American Legion on this important issue. I look forward to working with you and all of the members of the Committee to ensure VA is capable of providing quality health care in a timely manner to all eligible veterans.