

July 23, 2014

Chairman Bernie Sanders
Senate Committee on Veterans' Affairs
418 Dirksen Senate Office Building
Washington, DC 20510

Chairman Jeff Miller
House Committee on Veterans' Affairs
335 Cannon House Office Building
Washington DC 20515

Ranking Member Richard Burr
Senate Committee on Veterans' Affairs
825A Hart Senate Office Building
Washington, DC 20510

Ranking Member Mike Michaud
House Committee on Veterans' Affairs
333 Cannon House Office Building
Washington DC 20515

Chairman Sanders, Chairman Miller, Ranking Member Burr, Ranking Member Michaud:

Last week, Acting Secretary Sloan Gibson appeared before the Senate Veterans' Affairs Committee to discuss the progress made by the Department of Veterans Affairs (VA) over the past two months to address the health care access crisis for thousands of veterans. Secretary Gibson testified that after re-examining VA's resource needs in light of the revelations about secret waiting lists and hidden demand, VA required supplemental resources totaling \$17.6 billion for the remainder of this fiscal year through the end of FY 2017.

As the leaders of organizations representing millions of veterans, we agree with Secretary Gibson that there is a need to provide VA with additional resources now to ensure that veterans can access the health care they have earned, either from VA providers or through non-VA purchased care. We urge Congress to expeditiously approve supplemental funding that fully addresses the critical needs outlined by Secretary Gibson either prior to, or at the same time as, any compromise legislation that may be reported out of the House-Senate Conference Committee. Whether it costs \$17 billion or \$50 billion over the next three years, Congress has a sacred obligation to provide VA with the funds it requires to meet both immediate needs through non-VA care and future needs by expanding VA's internal capacity.

Last month, we wrote to you to outlining the principles and priorities essential to addressing the access crisis, a copy of which is attached. The first priority "*...must be to ensure that all veterans currently waiting for treatment must be provided access to timely, convenient health care as quickly as medically indicated.*" Second, when VA is unable to provide that care directly, "*...VA must be involved in the timely coordination of and fully responsible for prompt payment for all authorized non-VA care.*" Third, Congress must provide supplemental funding for this year and additional funding for next year to pay for the temporary expansion of non-VA purchased care. Finally, whatever actions VA or Congress takes to address the current access crisis must also "*...protect, preserve and strengthen the VA health care system so that it remains capable of providing a full continuum of high-quality, timely health care to all enrolled veterans.*"

In his testimony to the Senate, Secretary Gibson stated that the Veterans Health Administration (VHA) has already reached out to over 160,000 veterans to get them off wait lists and into clinics. He said that VHA accomplished this by adding more clinic hours, aggressively recruiting to fill physician vacancies, deploying mobile medical units, using temporary staffing resources, and expanding the use of private sector care. Gibson also testified that VHA made over 543,000 referrals for veterans to receive non-VA care in the private sector – 91,000 more than in the comparable period a year ago. In a subsequent press release, VA stated that it had reduced the New

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Enrollee Appointment Report (NEAR) from its peak of 46,000 on June 1, 2014 to 2,000 as of July 1, 2014, and that there was also a reduction of over 17,000 veterans on the Electronic Waiting List since May 15, 2014. We appreciate this progress, but more must be done to ensure that every enrolled veteran has access to timely care.

The majority of the supplemental funding required by VA, approximately \$8.1 billion, would be used to expand access to VA health care over the next three fiscal years by hiring up to 10,000 new clinical staff, including 1,500 new doctors, nurses and other direct care providers. That funding would also be used to cover the cost of expanded non-VA purchased care, with the focus shifting over the three years from non-VA purchased care to VA-provided care as internal capacity increased. The next biggest portion would be \$6 billion for VA's physical infrastructure, which according to Secretary Gibson would include 77 lease projects for outpatient clinics that would add about two million square feet, as well as eight major construction projects and 700 minor construction and non-recurring maintenance projects that together could add roughly four million appointment slots at VA facilities. The remainder of the funding would go to IT enhancements, including scheduling, purchased care and project coordination systems, as well as a modest increase of \$400 million for additional VBA staff to address the claims and appeals backlogs.

In reviewing the additional resource requirements identified by Secretary Gibson, the undersigned find them to be commensurate with the historical funding shortfalls identified in recent years by many of our organizations, including *The Independent Budget* (IB), which is authored and endorsed by many of our organizations. For example, in the prior ten VA budgets, the amount of funding for medical care requested by the Administration and ultimately provided to VA by Congress was more than \$7.8 billion less than what was recommended by the IB. Over just the past five years, the IB recommended \$4 billion more than VA requested or Congress approved and for next year, FY 2015, the IB has recommended over \$2 billion more than VA requested. Further corroboration of the shortfall in VA's medical care funding came two weeks ago from the Congressional Budget Office (CBO), which issued a revised report on H.R. 3230 estimating that, "...under current law for 2015 and CBO's baseline projections for 2016, VA's appropriations for health care are not projected to keep pace with growth in the patient population or growth in per capita spending for health care – meaning that waiting times will tend to increase..."

Similarly, over the past decade the amount of funding requested by VA for major and minor construction, and the final amount appropriated by Congress, has been more than \$9 billion less than what the IB estimated was needed to allow VA sufficient space to deliver timely, high-quality care. Over the past five years alone, that shortfall is more than \$6.6 billion and for next year the VA budget request is more than \$2.5 billion less than the IB recommendation. Funding for non-recurring maintenance (NRM) has also been woefully inadequate. Importantly, the IB recommendations closely mirror VA's Strategic Capital Investment Plan (SCIP), which VA uses to determine infrastructure needs. According to SCIP, VA should invest between \$56 to \$69 billion in facility improvements over the next ten years, which would require somewhere between \$5 to \$7 billion annually. However, the Administration's budget requests over the past four years have averaged less than \$2 billion annually for major and minor construction and for NRM, and Congress has not significantly increased those funding requests in the final appropriations.

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Taking into account the progress achieved by VA over the past two months, and considering the funding shortfalls our organizations have identified over the past decade and in next year's budget, the undersigned believe that Congress must quickly approve supplemental funding that fully meets the critical needs identified by Secretary Gibson, and which fulfills the principles and priorities we laid out a month ago. Such an approach would be a reasonable and practical way to expand access now, while building internal capacity to avoid future access crises in the future. In contrast to the legislative proposals in the Conference Committee which would require months to promulgate new regulations, establish new procedures and set up new offices, the VA proposal could have an immediate impact on increasing access to care for veterans today by building upon VA's ongoing expanded access initiatives and sustaining them over the next three years. Furthermore, by investing in new staff and treatment space, VA would be able to continue providing this expanded level of care, even while increasing its use of purchased care when and where it is needed.

In our jointly signed letter last month, we applauded both the House and Senate for working expeditiously and in a bipartisan manner to move legislation designed to address the access crisis, and we understand you are continuing to work towards a compromise bill. As leaders of the nation's major veterans organization, we now ask that you work in the same bipartisan spirit to provide VA supplemental funding addressing the needs outlined by Secretary Gibson to the floor as quickly as feasible, approve it and send it to the President so that he can enact it to help ensure that no veteran waits too long to get the care they earned through their service. We look forward to your response.

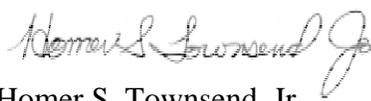
Respectfully,



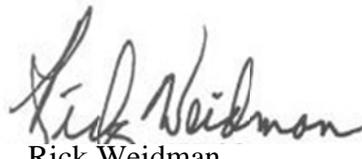
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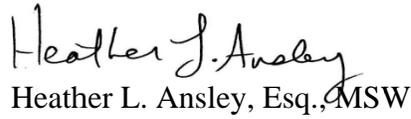
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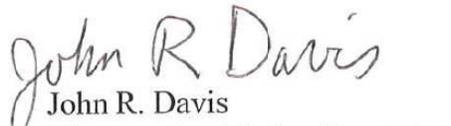
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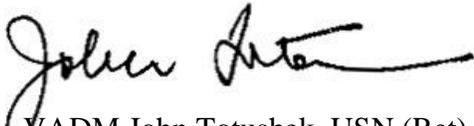
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