

Chairman Sanders

Welcome to this afternoon's hearing on the Fiscal Year 2014 budget and the Fiscal Year 2015 Advance Appropriations request for the Department of Veterans Affairs.

Earlier this year we heard from nearly all of the veterans service organizations. These groups shared with this committee their priorities, which reflect the needs of the men and women who have served this country. And I want to thank these organizations for the work they do every day in protecting the interest of those who have served.

If there is anything that many of us have learned in recent years, it is that the real cost of war is far, far greater than simply paying for the tanks, planes, guns, and the manpower to conduct that war.

I believe that we now understand, far more than we have in the past that soldiers who come home from war are often very different people than when they went. We now understand that the cost of war includes for those Vietnam veterans who not only lost their legs and their arms, but those who came home – and were never able to hold on to a job.

We now understand that in Iraq and Afghanistan tens and tens of thousands of soldiers came home not only with the loss of limbs or eyesight – but with TBI and PTSD and other “invisible wounds.”

So, while this \$152 Billion dollar budget we discuss today is a complicated document with a whole lot of categories and numbers – it all comes down to how the people of our country, through their government, honor their commitments to those who have sacrificed so much and to the spouses and children who have also sacrificed.

The veterans' service organizations discussed with us many of the great things VA does.

- In a nation in which over 45 million people have no health insurance and the cost of healthcare here is far higher than in any other country in the world, VA is recognized by many as providing excellent quality health care in a cost effective way to those who served our country. We can do better and we must do better, but most will agree that the VA has come a long way in the last 20-30 years.
- At a time when too many Americans are sleeping out in the streets or their cars, VA has undertaken an aggressive and successful effort to significantly reduce the number of homeless veterans in our country. In the last several years, significant progressive has been made in this area, but more needs to be done and we look forward to working with the VA in this area.
- Through its world class research program, VA is making significant advances in health care for veterans.

The Veterans organizations, in their testimony, also highlighted the significant challenges that continue to confront veterans of all generations. They also spoke of, among other issues:

- The need to continue efforts to transform the compensation claims system. There is no disagreement within this committee that the backlog today is much too high and that it is unacceptable that some veterans are waiting years to get their claims processed. I think most of us understand that while the VA today is processing far more claims than ever before they must do better. I look forward to hearing from Secretary Shinseki as to whether he still believes that he will reach the very ambitious goals for the claims process that he established several years ago.
- The obligation to address the tragic number of service member and veteran suicides;
- The responsibility to make smart investments in infrastructure and information technology systems to ensure VA can continue to provide the care and benefits veterans have earned.

## **Budget Overview**

These are some of the challenges that this budget must address.

I believe this year's budget request, especially within the context of the sequestration and the overall budget restraints facing Congress, reflects a strong commitment by this Administration to provide veterans and their families with the care and benefits they deserve. Secretary Shinseki, I applaud you and your team for putting together a very solid budget in a very difficult budgetary climate.

Yet as we all know, more remains to be done.

## **Chained CPI**

As I have made extremely clear, I am deeply disappointed that the president included in his budget request the so-called chained CPI. This careless attempt to balance the budget on the backs of disabled veterans and survivors is wrong. Switching to a so-called chained CPI would mean major cuts in Social Security and benefits for disabled veterans.

Switching to chained CPI would mean that veterans who started receiving VA disability benefits at age 30 would have their benefits reduced by \$1,425 at age 45, \$2,341 at age 55, and \$3,231 at age 65.

In my view, it is important that this country address our \$850 billion deficit, but there are fairer ways to do it than on the backs of disabled veterans – men and women who have already sacrificed so much for their country.

I will continue to do everything within my power to prevent any change in the calculation of the COLA.

## **Suicide / Mental Health**

When it comes to the issue of funding for suicide prevention, the budget is literally a life or death issue. Ensuring timely access to high-quality mental health care is critical for our veterans and their loved ones. To that end, I am pleased to see the president's budget recommends a 7.2 percent increase in funding for mental health.

We are all aware of the staggering statistic that up to 22 veterans commit suicide each day – that's more than 8,000 veteran deaths by suicide each year.

We cannot fail in our efforts to prevent veteran suicide. Critical to successful prevention is access to timely, high-quality mental health care, an issue I held a hearing on just a few weeks ago. During that hearing, we heard from both VA and various stakeholders about the importance of adequate resources, including funding and staffing levels.

At the hearing, Dr. Petzel testified that VA is on track to hire the 1,600 mental health clinicians called for in the president's executive order by the deadline of June 30th. As I noted at that hearing, I remain concerned that VA has hired just 47 clinicians in the last two months. I understand VA must ensure they are hiring high-quality clinicians, but VA must pick up the pace of hiring if it intends to meet its goal of 1,600 new clinicians by the end of June of this year.

Further, I remain concerned about the process VA will use to continually monitor and anticipate demand for mental health care. Such a process is integral to VA's ability to allocate personnel to areas of greatest need in the future.

VA's efforts to improve veterans' access to mental health care are commendable, but we must make a long-term commitment in this area.

## **Claims Backlog**

Providing timely and accurate benefit decisions remains one of the most significant challenges confronting VA. Take a moment to think about the magnitude of this issue. The president's fiscal year 2014 request asks for \$65.4 billion for payments to 3.8 million veterans and over 360,000 survivors.

Yet, as the number and complexity of claims continues to increase and more veterans seek the benefits they have earned, VA must do even more to address this growing demand.

VA has set ambitious goals, put forward a plan, and has been working hard to transform. I have critiques of these efforts – as do other members of this committee. This committee's first hearing focused squarely on this problem, and we continue to work to find solutions.

VA must continue to move aggressively to address this problem and to transform. This budget request recognizes that need and asks for nearly \$2.5 billion to support the transformation of the claims system. However, as VA continues to transform the compensation claims system:

- It must measure and understand the impact of transformation on its workload and respond accordingly. It must also provide these measures and results to this Committee and other stakeholders.
- It must continue to move to a paperless claims system while ensuring the technology is prepared to support the workload. It must continue to eliminate VBMS' technical issues.
- And most importantly, VA must focus on quality by ensuring its employees have the training and tools necessary to get claims done right the first time.

As we all know, there is still much room for improvement and a lot of work yet to be done. Congress has consistently provided the resources that have been requested. Take advantage of those resources and continue to work with us to find the innovative solutions necessary to truly create a 21st century claims system.

### **Construction and Non-Recurring Maintenance**

Physical infrastructure plays a significant role in VA's ability to provide high quality care to veterans. VA must be able to construct, repair, or lease safe facilities to provide the high quality care that veterans deserve.

Yet, for the 4th year in a row, the President's request has been out of touch with the realities on the ground. If we are truly going to focus on providing quality health care, adequate funding to maintain VA's aging infrastructure must be a critical part of the equation.

Further, the President's request includes another 13 major medical facility leases, but does not include funding for the full cost of authorizing these leases, despite the challenges we are still working to surmount.

VA should make investments in sustainability and green technologies where and when it makes sense to do so. We must leverage available funding to ensure that we can realize not only the monetary savings that result from energy efficiency, but also the beneficial environmental and quality of care outcomes that result.

As we focus on these investments, we can transform VA into a much more efficient health care system.

### **Information Technology Funding**

VA has undertaken a significant transformational effort and the importance of information technology cannot be understated as VA seeks to transform its delivery of care and benefits.

From VBMS to the Homeless Registry, VA's information technology systems serve as the cornerstone of VA's efforts to move its operations into the 21st century.

The most high-profile among these efforts is the VA-DoD Integrated Electronic Health Record. It is unacceptable that after spending years on joint development of a single electronic health record, VA and DoD have made a decision that may result in the use of two separate core systems. While some progress has been made, I am deeply concerned about the pace of this effort and the level of output produced.

The outcomes of this initiative impact nearly every aspect of VA's operations, from claims processing to high quality health care delivery. We cannot afford to get this wrong. VA and its Agency partners must invest in appropriate I.T. solutions. They must ensure that their choices are based on sound business cases that fully consider the life-cycle costs and impacts of these investments.

I will continue to press the Administration to provide additional information on their information technology programs, including the basis for decision-making on the Integrated Electronic Health Record. We must ensure that both VA and DoD are working together in an effective and efficient manner.

### **Transition Programs**

Finally, the collaboration among VA, DoD and other Agencies must continue to grow. The Transition Assistance Program and other joint ventures are the key to ensuring successful transitions.

The unemployment rate for veterans transitioning from the military remains higher than that for other veterans and nonveterans. Further, more than 1 million additional servicemembers are expected to transition to civilian life and join the veteran population from 2011 to 2016.

With numerous programs being administered by multiple agencies, we must collect meaningful data and measure outcomes in order to assess these programs for their effectiveness. That is how we properly serve the needs of our veterans.

### **Closing**

Each of the challenges that veterans and their families continue to face demonstrate the true cost of war. Years of conflict have made a significant impact, not only on the men and women who serve in uniform, but also on their families who provide the tremendous love and support these men and women need to do their jobs.

Thanks to everyone for being here today and I look forward to today's testimony.