



ADVANCE APPROPRIATIONS FOR VA HEALTH CARE

The Issue

During the last two years, Congress has provided record funding levels for the Department of Veterans Affairs (VA), particularly the health care system. Despite these achievements, there have still been significant delays in receiving funding. In fact, in 19 of the past 22 fiscal years, the VA appropriations bill was approved after the start of the new fiscal year on October 1. Though VA received its budget on time this Fiscal Year, during the previous six years, the VA has not received its annual funding on average until more than three months after the start of the new fiscal year. Political wrangling has deadlocked the federal budget process, and in turn, the funding for veterans' health care.

This political inaction has led to continuing resolutions instead of regular approved appropriations bills; late-arriving final appropriations; offsets and across-the-board cuts; supplemental and even "emergency" supplemental appropriations requiring a Presidential declaration. These and other budget "gimmicks" have now become the norm rather than the exception. Not knowing when or at what level of funding VA will receive from year to year – or whether Congress will approve or oppose the Administration's proposals – hinders the ability of VA officials to plan their spending for the coming year.

The Partnership for Veterans Health Care Budget Reform, a coalition of nine veteran service organizations, including Paralyzed Veterans of America, continues to support as one solution, legislation making VA health care funding mandatory. This would guarantee funding is available on time every year with adjustments to account for medical inflation and enrollment increases. To date, Congress has not shown much interest in moving this legislation forward.

The Partnership has developed an alternative proposal that would change the VA's medical care appropriation to an advance appropriation, providing funding for the health care system up to one year in advance of the operating year. On February 12, 2009, Senator Daniel Akaka, Chairman of the Senate Committee on Veterans' Affairs introduced S. 423 and Representative Bob Filner, Chairman of the House Committee on Veterans' Affairs, introduced H.R. 1016, both titled the "Veterans Health Care Budget Reform and Transparency Act of 2009" which would ensure that veterans health care funding was sufficient, timely, and predictable. Under this proposal, Congress would consider the FY 2011 funding levels for the VA and the FY 2010 appropriations for VA health care would already be completed. This would guarantee that the VA received its funding in a timely and predictable manner. Moreover, to ensure sufficiency, the proposal would require VA's internal budget model to be shared publicly with Congress to provide accurate estimates for VA health care funding, as determined by a Government Accountability Office (GAO) audit, before political considerations take over the process.

PVA's Position:

- The Senate should enact S. 423 and the House should enact H.R. 1016, the “Veterans Health Care Budget Reform and Transparency Act of 2009” that would change VA’s medical care appropriation to an advance appropriation. This would ensure funding is timely and predictable, without making it mandatory or requiring it to meet PAYGO rules.
- As described in S. 423 and H.R. 1016, Congress should require VA’s internal budget model to be shared publicly to provide accurate estimates for VA health care funding with the information audited by GAO.



BENEFIT RATING ACCELERATION FOR VETERAN ENTITLEMENTS (BRAVE) ACT

The Issue

It is often overlooked that veterans with a significant disability rating from the Department of Veterans Affairs (VA) are likely to be eligible for Social Security benefits as well. Military servicemen and women are covered by Social Security and many National Guard and Reservists have considerable work histories. These individuals will also be eligible for Social Security Disability Insurance (SSDI). According to the VA, as of September 30, 2006, there were 401,000 veterans under age 65 with service-connected disabilities rated from 70 to 100 percent. That level of severity of disability almost always qualifies a veteran for Social Security disability benefits. Unfortunately, the Social Security Administration (SSA) does not currently recognize disability determinations made by the VA, forcing veterans with disabilities to go through two medical evaluations to qualify for benefits to which they are entitled.

PVA's Position

Paralyzed Veterans of America (PVA) supported the Benefit Rating Acceleration for Veteran Entitlements (BRAVE) Act (H.R. 2943/S. 2872) introduced in the 110th Congress by Cong. John Sarbanes (D-MD) and Senators Sherrod Brown (D-OH) and Olympia Snowe (R-ME). The BRAVE Act was intended to break down the bureaucratic silos that veterans and their families face by allowing veterans with 100% service-connected disabilities to access a "fast track" process for Social Security disability benefits. This legislation would ensure that veterans with disabilities receive all the support they are owed without forcing them and their loved ones to endure redundant applications and unnecessary delays. Moreover, this bill will lessen the administrative burden on SSA at a time when that agency is struggling to handle an increasing workload with limited financial resources.

PVA urges Congress to reintroduce and support the Benefit Rating Acceleration for Veteran Entitlements Act in the 111th Congress.



ELIMINATE CO-PAYMENTS FOR CATASTROPHICALLY DISABLED PRIORITY GROUP FOUR VETERANS

The Issue

In 1985, Congress approved legislation which opened the VA health system to all veterans. In 1996, Congress revised that legislation with a system of rankings establishing priority ratings for enrollment. Within that context, PVA worked hard to ensure that those veterans with catastrophic disabilities would be placed in a higher enrollment category. If the primary mission of the VA health care system is to provide for the service disabled, the indigent and those with special needs, catastrophically disabled veterans certainly fit in the latter priority ranking. The VA had an obligation to provide care for these veterans. The specialized services, including spinal cord injury care, unique to VA, should be there to serve them.

To protect their enrollment status, veterans with catastrophic disabilities were allowed to enroll in Priority Group Four even though their disabilities were non-service connected and regardless of their incomes. However, unlike other Priority Group Four veterans, if they would otherwise have been in Priority Group Seven or Eight, they would still be required to pay all fees and co-payments, just as others in those categories do now for every service they receive from VA.

PVA believes this is unjust. VA recognizes their unique specialized status on the one hand by providing specialized service for them in accordance with its mission to provide for special needs. The system then makes them pay for those services.

Unfortunately, these veterans are not casual users of VA health care services. Because of the nature of their disabilities they require a lot of care and a lifetime of services. Private providers do not offer the kind of sustaining care for spinal cord injury found at the VA even if the veteran is employed and has insurance. Other federal or state health programs fall far short of VA. In most instances, VA is the only and the best resource for a veteran with a spinal cord injury, and yet, these veterans, supposedly placed in a priority enrollment category, have to pay fees and co-payments for every service they receive as though they had no priority at all.

During the 110th Congress, the House of Representatives passed legislation—H.R. 6445—to eliminate this financial burden placed on catastrophically disabled veterans. Unfortunately, the Senate did not act on this proposal. This is particularly disappointing given that the House bill received unanimous support from Republicans and Democrats as well as the VA.

PVA's Position

- Congress must enact legislation during the 111th Congress in order to eliminate the requirement that Priority Group 4 veterans who are catastrophically disabled, and would otherwise be enrolled in Priority Group 7 or 8, pay any fees or co-payments.



ENDING THE MEDICARE DISABILITY WAITING PERIOD

The Issue

Medicare provides health insurance to disabled individuals who qualify for benefits under the Social Security Disability Insurance (SSDI) program and are under the age of 65. Under current law, most disabled beneficiaries become eligible for SSDI benefits five months after onset of their disability, and later. The total waiting period for Medicare coverage is 29 months.

As of December 2007, approximately 1.8 million SSDI beneficiaries were in that 24-month waiting period for Medicare. Nearly 40 percent of people with disabilities are without health insurance coverage at some point during their wait for Medicare and 24 percent have no health insurance during this entire period.

Many can not afford to pay COBRA premiums to maintain coverage from their former employer, and private coverage on the individual market is unavailable or too expensive for this high cost population. The waiting period forces people with severe disabilities to endure two years during which treatment and care of their condition are put at risk. Many forgo medical treatment and or stop taking medications, compromising their health and resulting ultimately in more costly treatment once Medicare coverage finally begins.

In the 110th Congress, Senator Jeff Bingaman (D-NM) and Representative Gene Green (D-TX) introduced the "Ending the Medicare Disability Waiting Period Act of 2007" (S. 2102/H.R. 154) with 127 cosponsors. That legislation would have amended Title II of the Social Security Act to phase out the 24-month waiting period for disabled individuals to become eligible for Medicare benefits and immediately eliminate the waiting period for individuals with life threatening conditions. We anticipate that similar bills will be introduced in the 111th Congress.

PVA's Position

Ending the Medicare disability waiting period would phase out the 24-month waiting period for Medicare coverage of SSDI recipients over ten years and immediately eliminate the waiting period for individuals with life threatening conditions. PVA asks that you co-sponsor the re-introduction of the "Ending the Medicare Disability Waiting Period Act" and enact it into law.



FY 2010 VA HEALTH CARE BUDGET

The Issue

For FY 2010, the new Administration has yet to release a budget submission that includes Department of Veterans Affairs (VA) programs. This is typical during transition years between administrations following a presidential election. Paralyzed Veterans of America hopes to see another step forward in achieving adequate funding for the VA for FY 2010 when the new Administration submits a budget later this year. With this in mind, for FY 2010, *The Independent Budget* recommends approximately \$46.6 billion for total medical care budget authority, an increase of \$3.6 billion over the operating budget level provided by the FY 2009 appropriations bill.

Our medical care recommendation reinforces the long-held policy that medical care collections should be a supplement to, not a substitute for, operating funds. Therefore, until Congress and the Administration fairly address the inaccurate estimates for medical care collections, the VA operating budget should not include inflated estimates as a component.

Although our health care recommendation does not include additional money to provide for the health care needs of Priority Group 8 veterans currently being denied enrollment into the system, we believe that adequate resources should be provided to overturn this policy decision. Unfortunately, in recent years the VA has not provided estimates that reflect the cumulative number of Priority Group 8 veterans who have been denied enrollment into the VA health care system. Moreover, despite the fact that Congress provided \$375 million in the FY 2009 appropriations bill to begin opening enrollment to some Priority Group 8 veterans, we believe that the VA does not have the resources necessary to completely remove the prohibition on new Priority Group 8 enrollments.

As such, we have received information that suggests that the VA has actually denied enrollment to 565,000 veterans since 2003. We estimate that opening enrollment to these veterans alone would cost approximately \$545 million in the first year, assuming that about 25 percent (141,250) of these veterans would actually use the system.

For Medical and Prosthetic Research *The Independent Budget* recommends \$575 million, an increase of \$65 million over the FY 2009 appropriation. Research is a vital part of veterans' health care, and an essential mission for our national health care system. At a time of war, the government should be investing more, not less, in veterans' biomedical research programs.

Despite recent increases in health care funding, the budget and appropriations process over the last number of years demonstrates conclusively how the VA labors under the uncertainty of how much money it is going to get and when it is going to get it. In order to address this problem, *The Independent Budget* recommends that the VA's appropriation be given an advance appropriations status to ensure sufficient, timely, and predictable funding.

PVA's Position

- Appropriate \$46.6 billion for VA medical care, a \$3.6 billion increase over FY 2009 operating budget level.
- Appropriate \$575 million for medical and prosthetic research, a \$65 million increase over FY 2009.
- Provide sufficient, timely, and predictable funding for veterans' health care.



PVA SUPPORTS MODIFYING “IN THE HOME” MEDICARE RESTRICTION

The Issue

In the original Medicare statute, Congress defined mobility devices such as wheelchairs (and durable medical equipment in general) covered under Medicare Part B as those to be “used in the home.” This was done in an effort to differentiate between mobility devices that were used within an institution such as a hospital or skilled nursing facility and reimbursed under Medicare Part A, and those that were needed outside of an institution and, therefore, separately reimbursable under Medicare Part B.

The Centers for Medicare and Medicaid Services currently interprets the statutory “in the home” language to strictly prohibit reimbursement for mobility devices that are necessary primarily for activities outside the home. In other words, a beneficiary who is able to function at home independently but needs a mobility device, or a more functional mobility device, to access his or her community, work, school, physician’s office, pharmacy, or place of worship, would not be eligible for an appropriate device under the “in the home” restriction.

The “in the home” restriction stands in stark contrast to much of the progress people with disabilities have made over the last few decades in terms of legislation and policy. For example, initiatives such as the “Ticket to Work” Program, the “New Freedom Initiative” and the Olmstead Supreme Court decision all aim to improve community access and participation for people with disabilities, but the “in the home” restriction prevents many Medicare eligible individuals from moving beyond their front doors.

In the 110th Congress, a bipartisan team of Senators and Representatives introduced S. 2103 / H.R. 1809, “The Medicare Independent Living Act of 2007,” to fix Medicare’s “in the home” restriction on mobility devices. PVA anticipates that this legislation will be introduced again in the 111th Congress.

PVA's Position

Medicare Independent Living legislation would modify the Medicare statute to provide coverage for mobility devices for people with “expected long-term need” to be used in “customary settings for the purposes of normal domestic, vocational, and community activities.” PVA asks that you support reintroduction, co-sponsor, and support passage of the Medicare Independent Living Act.



PROTECTION OF SPECIALIZED SERVICES

The Issue

Specialized services, such as spinal cord dysfunction care, are part of the core mission and responsibility of the VA. These services were initially developed to care for the unique health care needs of veterans. The VA's specialized services are incomparable resources that often cannot be duplicated in the private sector. However, these services are often expensive, and are severely threatened by cost-cutting measures and the drive toward achieving management efficiencies.

The provision of specialized services is vital to maintaining a viable VA health care system. Specialized services are part of the primary mission of the VA. The erosion of these services would lead to the degradation of the larger VA health care mission.

PVA is uncertain about the future of the current VA health care system, and the role specialized services will play in that system. In recent years, members of the House of Representatives and the Administration have supported a need to re-focus the VA health care system on its "core constituency." Part of this new focus could potentially include reducing funding and cutting services for increasing numbers of currently eligible veterans. Specialized services cannot afford a reduction in critical staff that is already stretched to the limit.

Furthermore, restructuring plans and moves by some to begin down the path of privatization heighten the risk not only to specialized services, but to the entire VA health care system. With growing pressure to allow veterans to seek care outside of the VA, the VA faces the possibility that the critical mass of patients needed to keep all services viable could significantly decline. All of the primary care support services are critical to the broader specialized care programs provided to veterans. If primary care services decline, then specialized care is also diminished.

PVA's Position

- Ensure that the VA has the necessary resources to protect and improve specialized services and maintain the VA as a comprehensive health care system.
- Provide effective and ongoing oversight concerning the VA's specialized services.