

**STATEMENT OF
JIMMY HAWK, DEPARTMENT ADJUTANT, SOUTH CAROLINA
THE AMERICAN LEGION
BEFORE THE
CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES
(CARES) COMMISSION
ON
THE DRAFT NATIONAL CARES PLAN**

SEPTEMBER 8, 2003

Mr. Chairman and Members of the Commission:

Thank you for the opportunity today to express the local views of The American Legion on the Department of Veterans Affairs' (VA)'s Capital Asset Realignment for Enhanced Services (CARES) initiative as it concerns Veterans Integrated Services Network (VISN) 7. As a veteran and stakeholder, I am honored to be here today.

The CARES Process

The VA health care system was designed and built at a time when inpatient care was the primary focus and long inpatient stays were common. New methods of medical treatment and the shifting of the veteran population geographically meant that VA's medical system was not providing care as efficiently as possible, and medical services were not always easily accessible for many veterans. About 10 years ago, VA began to shift from the traditional hospital based system to a more outpatient based system of care. With that shift occurring over the years, VA's infrastructure utilization and maintenance was not keeping pace. Subsequently, a 1999 Government Accounting Office (GAO) report found that VA spent approximately \$1 million a day on underused or vacant space. GAO recommended, and VA agreed, that these funds could be better spent on improving the delivery of services and treating more veterans in more locations.

In response to the GAO report, VA developed a process to address changes in both the population of veterans and their medical needs and decide the best way to meet those needs. CARES was initiated in October 2000. The pilot program was completed in VISN 12 in June 2001 with the remaining 20 VISN assessments being accomplished in Phase II.

The timeline for Phase II has always been compressed, not allowing sufficient time for the VISNs and the National CARES Planning Office (NCPO) to develop, analyze and recommend sound Market Plan options and planning initiatives on the scale required by the magnitude of the CARES initiative. Initially, the expectation was to have the VISNs submit completed market plans and initiatives by November, 2002, leaving only five months to conduct a comprehensive assessment of all remaining VISNs and develop recommendations. In reality, the Market Plans were submitted in April 2003. Even with the adjustment in the timeline by four months, the Undersecretary for Health found it necessary in June 2003, to send back the plans of several VISNs in order for them to reassess and develop alternate strategies to further consolidate and compress health care services.

The CARES process was designed to take a comprehensive look at veterans' health care needs and services. However, because of problems with the model in projecting long-term care and mental health care needs into the future, specifically 2012 and 2022, these very important health care services were omitted from the CARES planning. The American Legion has been assured that these services will be addressed in the next "phase" of CARES. However, that does not negate the fact that a comprehensive look cannot possibly be accomplished when you are missing two very important pieces of the process.

The American Legion is aware of the fact that the CARES process will not just end, rather, it is expected to continue into the future with periodic checks and balances to ensure plans are evaluated as needed and changes are incorporated to maintain balance and fairness throughout the health care system. Once the final recommendations have been approved, the implementation and integration of those recommendations will occur.

Some of the issues that warrant The American Legion's concern and those that we plan to follow closely include:

- ? Prioritization of the hundreds of construction projects proposed in the Market Plans. Currently, no plan has been developed to accomplish this very important task.
- ? Adequate funding for the implementation of the CARES recommendations.
- ? Follow-up on progress to fairly evaluate demand for services in 2012 and 2022 regarding long-term care, mental health, and domiciliary care.

VISN 7- SOUTH CAROLINA

The South Carolina Market faces significant demand increases in primary care, specialty care, inpatient medicine and hospital care. The veteran population is over 417,000 with enrollees numbered at over 100,000, giving the market an overall market share of 25%. The Draft National Plan (DNP) proposes to establish five additional outpatient clinics to address the primary care shortfall existing in the area. The American Legion is pleased with this proposal, however, we must ensure the clinics are staffed by VA employees.

Inpatient services are expected to increase for medicine and mental health in the South Carolina market. The plan is to increase access to hospital care by contracting for medical and surgical inpatient stays in the Greenville, SC and Savannah, GA communities. This is projected to raise access to 82% by 2022. The American Legion is very concerned that nearly 30% of inpatient care is proposed to be contracted out into communities that may not be able to absorb the patients or provide the right services needed to treat the unique needs of veterans. That is a significant amount of care not being given in a VA facility. Contracting out of care on such a large scale should be avoided. VA is a provider of care, not a purchaser of care.

Collaborations

A collaborative effort is being explored at the Outpatient Clinic in Savannah, Georgia, which is operated by the VA Medical Center in Charleston, South Carolina. The outpatient clinic is located adjacent to Hunter Army Airfield (HAA) and currently offers specialty services, primary care and mental health. VA is considering building a new Community Based Outpatient Clinic (CBOC) or renovating space on HAA to help erase the cost of \$360,000 a year to lease.

The American Legion supports collaborations with the Department of Defense (DoD). Typically, they are a win-win situation for the veterans they serve and active duty alike. We believe there should be greater effort in this area and encourage VA to investigate all possibilities. However, The American Legion is aware that another round of Base Realignment and Closures (BRACs) is scheduled for Fiscal Year (FY) 2005, and caution that VA use this knowledge to ensure that the proposed collaborations are not with a base that is on the list to be closed.

Thank you for the opportunity to be here today.

STATEMENT FOR THE RECORD

Of

**Vietnam Veterans of America
South Carolina State Council**

Submitted by

**Alta Milling,
President
VVA South Carolina State Council**

Before the

CARES Commission

Regarding

Draft National CARES Plans

Presented At

**Elks Lodge 242
VISN 7
Charleston, South Carolina**

September 8, 2003

Good Morning.

My name is Alta Milling. I am President of the Vietnam Veterans of America (VVA)'s South Carolina State Council.

I thank you, Chairman Alvarez and your colleagues, for the opportunity to testify today regarding the Draft National CARES Plan for the delivery of health care to veterans and their family members who use VISN 7 in South Carolina, for their health care needs.

The concept for assessing the real-estate holdings and plans for the disposition of "excess" properties of the Department of Veterans Affairs is a good one. Unused and aging buildings drain funds and resources when some semblance of upkeep is required just to keep them from becoming unsightly.

We have some concerns I wish to share with you regarding the National CARES Draft Plan.

Although the Plan for VISN 7's Special Disability Program states that PTSD/Substance Abuse and Traumatic Brain Injury will be addressed in another phase due to their complexity, we have seen times when "another phase" never happens. However, being a trusting person I'd like to put in the record some of our concerns for PTSD/Substance Abuse.

The VA needs to offer counseling to families for secondary PTSD. With the significant increase in the number women in the service today as compared to the two percent when I joined, more attention needs to be paid to victims of sexual trauma and domestic violence. Domestic violence can happen in a two-servicemember family (husband and wife both in the service)—I'm an example of that. Counseling should be mandatory for the batterer and this can be enforced when this occurs to those on active duty. Physicians need to be sensitive to women's health care

needs. DO NOT put men and women together for group counseling sessions.

We believe that the number of veterans is increasing in South Carolina because more and more retirees are moving to our state. While the CARES Plan may mean closing beds and cutting staff in other areas due to the loss of retirees, we believe the staff at Dorn VA Medical Center have already made concerted efforts to work smarter.

Whatever is decided for Charleston, please keep in mind that an appropriate setting for the nursing home residents is an absolute must.

We are concerned about the effectiveness Community Based Outpatient Clinics because retaining staff has been a problem due to low salaries offered.

We are also disturbed by the delay in moving the Regional Office out of its cramped quarters with deplorable parking conditions to the grounds of Dorn VA Medical Center. There's room!

And last, we are pleased to see that the issue of base closings was taken into consideration. Of course, we hope South Carolina escapes unscathed. But just in case, we can't combine our facilities with theirs on bases. Where possible, combining off base is the better route.

Mr. Chairman, thank you for the opportunity to submit our statement for the record before this commission on behalf of Vietnam Veterans of America (VVA) South Carolina State Council. I will be more than happy to answer any questions this commission has.

**STATEMENT OF
BRYAN KEROUAC
NATIONAL SERVICE OFFICER
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
CAPITAL ASSETS REALIGNMENT FOR ENHANCED SERVICES COMMISSION
CHARLESTON, SOUTH CAROLINA
SEPTEMBER 8, 2003**

Mr. Chairman and members of the Commission:

I am Bryan Kerouac, a National Service Officer with the Disabled American Veterans (DAV).

On behalf of the 15,476 members of the DAV in South Carolina, and the 4,166 members in the Charleston area, I am pleased to have the opportunity to present testimony and discuss the proposed Market Plans for the local area in Charleston and VISN 7.

As an organization dedicated to the welfare of our nation's disabled veterans, DAV is particularly pleased with the proposed Capital Assets Realignment for Enhanced Services (CARES) Draft National Plan's proposal to establish additional community-based outpatient clinics throughout the VISN, and enhanced-use projects between the Department of Veterans Affairs (VA) and the Department of Defense. However, we are concerned about the budget shortfall for VA health care that will directly and adversely affect our growing veterans' population. According to the VA's July 2003 state summary, South Carolina currently has an estimated veterans' population of 415,000.

Albeit the proposals for additional facilities seem promising, they can only become reality with an increase in the budget for veterans' medical care. In Charleston, 10,127 patients utilized inpatient services in 2002. Of this total, 51% utilized the preferred facility and the remaining 49% received care at another VA facility. In Columbia, 19,943 patients received inpatient care and 42% receive their care their care at the preferred facility and 58% were treated at another VA facility. The proposed resolution to manage the projected patient workload for FY 2012 at the Charleston VA Medical Center (VAMC) includes a total of 75,880 inpatient projections, a variance of 12,807 from 2001, and a total of 593,868 outpatient projections, a variance of 261,642 from 2001. These figures represent a current dollar value of \$222 million necessary to provide the basic health care for FY 2012.

The number of patients treated at the VAMC in Columbia has increased 66% since 1997. Patient visits increased by 24% in the last year alone, with 427,395 visits during 2002 and 653,515 encounters in 2002. By the year 2012, there is an 80.6% gap in specialty care services projected in the Dorn VAMC's catchment area, if additional resources are not provided. The additional estimated cost with projected growth in specialty care services is \$40 million; the estimated costs with projected growth for access to primary care is \$22 million, for medical inpatient beds, the projected cost is \$35 million; for outpatient mental health, the projected cost

is \$8 million; and for ancillary and diagnostic services, the projected cost is \$19 million, bringing the total amount to \$149 million needed to treat the projected patient growth expected by 2012.

We strongly agree there is a need to build additional facilities to meet the growing demand for veterans' health care. The House passed an appropriations bill that is \$1.8 billion less than the amount the VA estimated as necessary to fully fund basic healthcare for our veterans in the year 2004. This is the same time frame in which the VAMCs and clinics in VISN 7 will need additional funding to meet the medical care needs of a growing veteran population and their medical care. The DAV has adopted two resolutions that address this issue. One urges the VA to ensure timely and adequate health care services be provided to service-connected disabled veterans, and the second supports legislation to provide that service-connected veterans will be given priority for VA medical care unless compelling medical reasons indicate otherwise. We believe the way to achieve these goals is through a change in law that would shift VA medical care from a discretionary to a mandatory funding program.

Considering these circumstances, we as a Nation, founded on the sacrifices of brave men and women who have and are serving in the Armed Forces, must not be asked to swallow a bitter pill to remedy this illness called a budget deficit.