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**STATEMENT OF  
BOB RASCHE, DEPARTMENT SERVICE OFFICER  
THE AMERICAN LEGION  
BEFORE THE  
CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES  
(CARES) COMMISSION  
ON  
THE NATIONAL CARES PLAN**

**AUGUST 22, 2003**

Mr. Chairman and Members of the Commission:

Thank you for the opportunity 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) 11. 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 11 - MICHIGAN

The Michigan Market is the largest and most complex market in VISN 11. CARES projected the market share to increase from 14% to 24% by 2022. Ann Arbor Health Care System (HCS), Battle Creek, Detroit, and Saginaw are the four Veterans Health Administration (VHA) care sites that serve this market. CARES projected significant increases in the Outpatient Primary Care workload. The VISN plan originally proposed opening four new CBOCs to address some of the increases, however, the Draft National Plan (DNP) does not include these proposed CBOCs in the high implementation priority

category. There is no clear plan in the DNP to take care of this increase. The American Legion is concerned that in the absence of a clear plan, nothing will be accomplished and VA will not be prepared to adequately meet the demand in the future.

For Outpatient Specialty Care, CARES projects significant increases in the workload. The DNP proposes to develop a new telemedicine network system that, for this market, will be located at Ann Arbor/Detroit. However, there are no details accompanying this plan. Is there a timeline to accomplish this? Has there been any preliminary research done as to cost, cost savings or other factors that may impact the implementation of such a proposal?

The DNP proposes to transfer inpatient services out of Saginaw to Ann Arbor and Detroit, with some contracting of services in the community. The American Legion does not support this proposal based on the limited information provided in the CARES plan. The Saginaw facility is projected to have less than 40 beds for FY 2012, however, the projected 21 beds represents an increase in needs for inpatient services. It is unclear from the CARES plan how VA plans to care for the future inpatient needs, not only in the short run, but also for the projected increase in FY 2012. The Saginaw facility is listed as being only two hours from Ann Arbor or Detroit, however, in reality, the Saginaw VA hospital provides services to all veterans residing within the upper half of the Lower Peninsula of Michigan. If a particular veteran resides in Mackinac City, the veteran must travel 281 miles to the Detroit VAMC or 272 miles to the Ann Arbor VA facility. This represents about a six-hour trip for the veteran even though the Saginaw facility is only two hours travel time. While this may represent the extreme example for travel involving veterans in Northern Michigan, many other veterans in Northern Michigan reside 2-4 hours away from the Saginaw facility. Therefore, citing the two-hour distance from the Saginaw facility to the Detroit/Ann Arbor area does not truly represent the real picture from the veteran's travel perspective. The CARES plan states that care may be available by contract. The plan is vague in that it does not identify who would be able to utilize contract services, or when contract services will be applicable. If the veteran must travel to Detroit or Ann Arbor, it would certainly present a hardship for friends and family to visit the veteran. If the veteran needs to go back to the hospital for post surgery inpatient care the veteran and visitor will again incur additional expense, and the distance is certainly a factor if the need is more emergent due to complications. The plan to close the Saginaw inpatient care services does not provide answers to show that VA has done adequate planning to assure the needs of veterans from Northern Michigan (Lower Peninsula) will be adequately taken care of once the services in Saginaw are discontinued.

The Ann Arbor and Detroit facilities have consolidated several services prior to CARES. The DNP proposes some future consolidations to include home oxygen management, and radiology interpretation. The American Legion is not opposed to future consolidations between these two facilities. We feel veterans are getting quality treatment at the best price. We do insist that whenever consolidation occurs, veterans do not experience a disruption in their medical care.

There is a proposed enhanced-use lease at Battle Creek for a new mental health clinic and a new residential psychiatric and rehabilitation "veterans village". While The American Legion does not oppose enhance-use leasing, it is important to stipulate that the treatment of veterans is a priority with whatever project is proposed and every step must be taken to ensure that the delivery of health care to veterans continues to be a priority. The American Legion is also concerned with the extensive timeline of enhanced-use lease programs. Currently, it takes three to four years to get a project approved. The process should be streamlined to avoid any suspension of services. The projected needs for mental health treatment and therapy is expected to increase, and a large percentage of veterans in this market reside within the Southeast corner of the state (Detroit Metropolitan area). Veterans from the Detroit area needing Post Traumatic Stress Disorder (PTSD) treatment and therapy for some other mental health needs, would be disadvantaged by having to travel to Battle Creek. The plan does not indicate if the "veterans village" proposed for Battle Creek will replace services currently being rendered in other locations in the state, nor does it state how the proposed services will enhance mental health services rendered by VA here in Michigan. The CARES plan is vague and does not show the cost, the market area being served, nor the particular services to be rendered in the proposed center.

The American Legion supports this plan, but with much reservation, because the cost of the services, identification of the services (type), market area being served and benefits of the plan are unclear.

Again, thank you for the opportunity to be here today.

**STATEMENT OF  
KEITH A. PRYOR  
FIELD SERVICE OFFICER  
OF THE  
DISABLED AMERICAN VETERANS  
BEFORE THE  
CAPITAL ASSETS REALIGNMENT FOR ENHANCE SERVICE COMMISSION  
DETROIT, MICHIGAN  
AUGUST 22, 2003**

Mr. Chairman and Members of the Commission:

On behalf of the local members of the Disabled American Veterans (DAV) and its Auxiliary, we are pleased to express our views on the proposed Capital Assets Realignment for Enhanced Services (CARES) Market Plans for this area in VISN 11.

Since its founding more than 80 years ago, the DAV has been dedicated to a single purpose: building better lives for America's disabled veterans and their families. Preservation of the integrity of the Department of Veterans Affairs (VA) health care system is of the utmost importance to the DAV and our members.

One of VA's primary missions is the provision of health care to our nation's sick and disabled veterans. VA's Veterans Health Administration (VHA) is the nation's largest direct provider of health care services, with 4,800 significant buildings. The quality of VA care is equivalent to, or better than, care in any private or public health care system. VA provides specialized health care service—blind rehabilitation, spinal cord injury care, posttraumatic stress disorder treatment, pharmaceutical services, prosthetic service—that are unmatched in the private sector. Moreover, VHA has been cited as the nation's leader in tracking and minimizing medical errors.

As part of the CARES process, VA facilities are being evaluated to ensure VA delivers necessary care to more veterans in places where veterans need it most. DAV is looking to CARES to provide a framework for the VA health care system that can meet the needs of sick and disabled veterans now and into the future. On a national level, DAV firmly believes that realignment of capital assets is critical to the long-term health and viability of the entire VA system. We do not believe that restructuring is inherently detrimental to the VA health care system. However, we have been carefully monitoring the process and are dedicated to ensuring the needs of special disability groups are addressed and remain a priority throughout the CARES process. As CARES has moved forward, we have continually emphasized that all specialized disability programs and services for spinal cord injury, mental health, prosthetics and blind rehabilitation should be maintained at current levels, as required by law. Additionally, we will remain vigilant and press the VA to focus on the most important element in the process, enhancement of services and timely delivery of high quality health care to our nation's sick and disabled veterans.

Furthermore, local DAV members are aware of the proposed CARES market plans and what the proposed changes would mean for the community and the surrounding area. We

address our concerns specifically of the Midwest Market within VISN 11, which we believe falls short in the current market to provide adequate primary care for those veterans it currently serves. This is especially true with waits and delays for treatment of service-disabled veterans that should be a top priority for one of the most important segments of CARES planning for the future. We believe that VA medical personnel in many incidents are extremely overwhelmed with the number of veterans seeking treatment and subsequently lose sight of the differences between service-connected and nonservice-connected disabled veteran. The DAV strongly believes that veterans who have honorably served their country and have become disabled as a direct result should have priority care now and in the future. Additionally, the DAV has concerns for eligibility of medical treatment for all veterans that have honorably served their country and are now being denied care as indicated with respect to Category 8. Many of our DAV 0% service-disabled members are within this category and have been denied eligibility for treatment within the VA medical system. This is mainly due to the fact that our DAV members have been successful providers for their families and do not meet the means tests for qualification. Accordingly, we believe that priority care should be afforded to all established service-connected veterans without consideration of his or her percentage of rating.

Over the past few years, VA facilities throughout the country have been challenged to provide basic medical care for an aging population of veterans. Veterans that have never previously sought treatment within the VA medical system are now utilizing their entitlements at an alarming rate. Today's retirees are losing basic medical health insurance coverages from the private sector and have sought VA treatment for the very first time. VA personnel have handled this situation very professionally and they have continued to add caseloads without significantly increasing the number of full-time employees or being provided with appropriate funding levels. We believe that Congress should mandate by law adequate funding for the medical care of all veterans now and in the future.

In closing, the local DAV members of VISN 11 sincerely appreciate the CARES Commission for holding this hearing and for its interest in our concerns. We deeply value the advocacy of this Commission on behalf of America's service-connected disabled veterans and their families. Thank you for the opportunity to present our views on these important proposals.