

I would like to thank the CARES Commission for agreeing to conduct this hearing in the Hudson Valley. When the Draft National Plan was released by the Veterans Affairs Undersecretary of Health in August, veterans in this region were outraged by the recommendations it contained.

I am here to represent the great concerns of my veterans, who told me that what upset them most was that VA Secretary Anthony Principi and Everett Alvarez, the Chairman of the CARES Commission, neglected to offer them a proper venue to voice their opposition to the proposals. In August, I wrote a strong letter to Principi, requesting a hearing be conducted in the Hudson Valley on the proposal to close inpatient services at Montrose. On September 10th, I joined my New York colleagues in sending another similar letter to the Secretary.

However, it wasn't until after I had a strong conversation with Secretary Principi on the telephone and brought Chairman Alvarez into my office for a one-on-one discussion, that I received assurances from the Secretary that Hudson Valley veterans would get to speak their mind about plans for Hudson Valley veterans' hospitals.

Thank you for providing them this forum, Mr. Chairman. Now, I hope that you will listen to our concerns and heed our recommendations.

As you know, the Draft National Plan calls for the closing of inpatient services at the FDR Veterans Hospital in Montrose, Westchester County, and moving them to the Castle Point facility in Dutchess County.

The removal of services currently available at Montrose will result in an undue burden on veterans and their families who have grown to depend on the services offered at Montrose. Carrying out this plan's proposals would not only burden the veterans of Westchester, but would also overwhelm the already overburdened Castle Point facility.

Castle Point is currently struggling with issues such as quality of care and excessive wait times. Under the Draft Plan, this hospital would face an overwhelming task just as VA healthcare funds are being transferred away from the northeast.

While I believe in government efficiency, the Draft National Plan seems to be anything but efficient. For the VA, words like efficiency and equity seem to be mere code words for attempts to siphon services away from New York veterans; veterans who constitute the oldest, sickest population in the nation and who are most likely to need the long-term care that Montrose now provides.

Since its implementation in 1997, the Veterans Equitable Resource Allocation formula, otherwise known as VERA, has had a seriously negative impact on veteran health care in the Hudson Valley.

New York, and the Hudson Valley in particular, has been subjected to drastic cuts. The GAO reported last year that VERA has cost New York-area VA hospitals over \$322 million in federal funding since its inception.

In that time, our local veterans have seen tremendous cuts in funding, staffing, and services available to them over the past six years. And now, with the introduction of the Draft Plan, they are facing even greater threats from a Veterans Administration that continues to turn its back on them.

The VA's mission to make health benefits more accessible is noble. Its methods, however, are suspect. What has been proposed for the veterans of the Hudson Valley is not an enhancement of services, but rather the removal of services.

I have long been concerned about the VA's desire to move from inpatient to outpatient care, specifically with how it may affect mentally ill veterans.

In June 2002, I was forced to call the VA Inspector General to conduct an investigation into abuse and neglect at the Montrose campus after three mentally ill veterans died within three days of being forced out of the psych unit and a fourth veteran killed his girlfriend after being denied treatment.

Removing the psychiatric unit now maintained at Montrose to Castle Point, which currently has no similar psychiatric care facilities, will ensure that these tragic events could be repeated.

Casting your vote in favor of the Draft National Plan is casting a vote in favor of a future of neglect and fear for the veterans assembled before you and those in the beds at Montrose.

Local veterans deserve much better. This plan would not put the VA health care system into the 21st Century. Instead, it would diminish veterans' health care options by breaking promises and pushing deserving veterans away.

Just as the men sitting behind me today did when they were called to duty, there are brave young men and women risking their lives in combat overseas as we speak. While no amount of money or benefits could repay them for what they are sacrificing on our behalf, we owe them to keep our promise to give them access to quality health care.

Instead, the VA has proposed to restrict that access by reducing services at a revered institution. What is a soldier in combat to think when the country he is to return to, the country that he is fighting for, is recommending taking away some of his future benefits?

Now, more than ever, we should be increasing the availability of services to our veterans.

We should keep our promise to our selfless soldiers and make sure that their healthcare needs are addressed. We shouldn't be streamlining government expenditures on the backs of American patriots.

Reducing services at Montrose would be unjust to our local veteran population at anytime. But, when it comes at a time when we are sending young Americans overseas, future veterans who will need these services, it is unconscionable!

Regrettably, Mr. Chairman, I have to leave this afternoon's hearing early. I am joining some of my Congressional colleagues on a trip to Iraq to observe the progress of our soldiers on the ground and hopefully to give them a morale boost by hearing their concerns and coming home to find answers for them. They are doing an heroic job in bringing forth a new democracy. God Bless them.

But I implore you, Mr. Chairman, members of the Commission, on behalf of the veterans of the Hudson Valley and those now fighting: DO NOT CLOSE THIS HOSPITAL.

CHARLES E. SCHUMER
NEW YORK

COMMITTEES:

BANKING

JUDICIARY

RULES

United States Senate

WASHINGTON, DC 20510

STATEMENT OF SENATOR CHARLES E. SCHUMER CARES COMMISSION PUBLIC HEARING MONTROSE, NY OCTOBER 21, 2003

I thank the CARES Commission for allowing me to present this testimony today, and to express the concerns that I share with New York veterans about the effect that recommendations made in the commission's plan will have on veterans' healthcare in the Hudson Valley.

I am concerned that the recommendations of the plan seem to put cost cutting over providing quality healthcare to those who have earned it through service to their country. The Commission should thoroughly reexamine the methods used in creating the plan and the plan's conclusions before making final recommendations to Secretary Principi.

I would also have liked for the people most affected by the recommendations in the plan, the veterans of the Hudson Valley who are in the audience today, to be able to directly express themselves at this hearing. While I appreciate that the Commission scheduled an additional hearing here in Montrose, where the most direct impact of the recommendations would be felt, I believe area veterans should be given the opportunity to speak.

Under the plan's recommendations for the Hudson Valley, inpatient services at Montrose would be eliminated, and the 291-bed facility would be converted into an outpatient only clinic. Those veterans who still require inpatient psychiatric, medical and nursing home care would be forced to travel to Castle Point in Dutchess County.

I have talked extensively with individual veterans about the plan, and I personally visited Montrose on September 26th and met with 15 veterans leaders who have been heavily involved in developing CARES recommendations.

At that meeting, I learned that the plan overruled the recommendations developed with local stakeholders. That plan called for keeping mental health outpatients, substance rehabilitation and PTSD residential care at Montrose. These programs have outstanding reputations at Montrose. It makes little sense to move them to Castle Point, which would have to construct new buildings to house them.

The local plan agreed with the national CARES proposal on several items: consolidating all nursing home beds to Castle Point; moving all acute and long-term psychiatry bed services from Montrose to Castle Point; and using up to 75% of Montrose for enhanced use leasing. The local recommendations seem to make sense to me, and I'd like to know why they were rejected at the national level.

I asked the veterans' representatives attending that meeting to work with me to develop a list of their concerns and questions about the national CARES proposal. Together we are

sending a letter to the CARES commission today articulating these concerns.

The veterans committee understands that there must be some changes and wants to work with both the commission and the Secretary of Veterans Affairs to come up with a plan that meets the needs of the veterans of the Hudson Valley, and the employees of the VA in the Hudson Valley.

But before any final action is taken, we must get answers to several questions, including these:

1. If inpatient services at Montrose are eliminated, will the Castle Point facility have adequate space and financial resources to absorb the patients displaced by the closure of Montrose?
2. Does the Department of Veterans Affairs intend to expand services at Castle Point, including long-term care and nursing home services, in order to address the aging veteran population in the Hudson Valley, which has the oldest population in the veterans healthcare system?
3. Will clinics in the Hudson Valley expand their services to veterans to include x-rays, increasingly sophisticated testing, and light surgery?
4. What types of services will continue to be provided at Montrose if inpatient services are eliminated? Will these services include an outpatient clinic, enhanced use leasing for assisted living, low cost housing, or nursing home care?
5. Would the Department of Veterans Affairs sell the property at Montrose instead of designating it for enhanced use for veterans housing?
6. Has the Department of Veterans Affairs given full consideration to the increased travel time that would be required of patients and their families if spinal cord injury services were moved from Castle Point to Kingsbridge?
7. And, if service is reduced at the Montrose facility, will patients in need of Post-Traumatic Stress Disorder screening, chemically induced Post-Traumatic Stress Disorder treatment, inpatient mental health treatment, and substance abuse treatment be forced to rely on mainstream patient services at Castle Point?

I strongly believe that these questions -- which come directly from the veterans most affected by these changes -- deserve to be definitively answered.

Reducing services at Montrose may have a significantly detrimental effect on veterans' healthcare in the Hudson Valley. It is impractical, and unfair, to force some veterans and their families to travel greater distances and experience longer waits to receive care, and I am afraid that is what will occur with the transfer of inpatient services from Montrose to Castle Point.

For many the increased travel time and costs will create an unnecessary barrier to receiving treatment, and will degrade the quality of veterans' healthcare services in the Hudson Valley.

The plan also fails to adequately answer the question of how the much smaller Castle Point facility will accommodate the patient load it is slated to assume from Montrose. Castle Point currently has a capacity of only 122 beds, none of which are designated for psychiatric care.

Obviously, Castle Point is not currently equipped to absorb the patient load from Montrose. Massive renovations, as well as changes in service provision, would need to be put into place before taking on such a workload would be possible without severely compromising the quality of patient care.

The changes in the types of service Castle Point would be required to provide under the plan also threaten to harm the ability of specific groups of veterans to receive quality care. Veterans in the Hudson Valley are extremely fortunate to have a quality mental health facility at Montrose. For those suffering from mental trauma, the answer is Montrose's crisis mental health facility. By closing this facility and attempting to transfer services elsewhere, the ability of veterans like Jeffery Kelly of Sullivan County to receive treatment could be drastically impacted.

Jeffrey Kelly, a 1991 Gulf War Vet, has suffered from Post-Traumatic Stress Disorder (PTSD) since returning home from Iraq. Jeffrey's post-traumatic stress is displayed through extremely violent behavior that is most likely chemically induced. The transformation Jeffrey has gone through since returning home- from a family man to a violent person unable to control his behavior- has torn his family apart, and has led to a court order taking away his right to see his son.

For years Jeffrey refused to see a doctor and only now has Jeffrey come to the realization that it is time to seek help. He has agreed to see a Doctor at the PTSD screening program at Montrose so he will learn how to cope with his violent behavior and outbursts.

Montrose offers veterans suffering from PTSD a program to help manage their symptoms and flashbacks. It also has a 28- day substance abuse program and a special 180-day program that teaches suffering veterans how to cope with their stress. This program aims to reintegrate veterans back into their communities by addressing their mental health needs, giving them jobs at the hospital, allowing them to earn a small stipend so that when they complete the program they will be able to use that money to make a fresh start.

Jeffrey Kelly now has that opportunity. But he may not if the Montrose facility's mental health program ceases to exist. The crisis mental health facility similar to Montrose's does not exist at Castle Point. Essentially, moving these services would be like putting people like Jeffrey back into the mainstream. This cannot happen if veterans suffering from PTSD and other diseases are to recover and cope with their mental health issues.

There are also a number of reasons to be concerned that the execution of the plan's recommendations will be incomplete and uncertain. It is estimated that it will cost as much as \$85 million dollars to build the new facilities called for at Castle Point, and to renovate the existing structures that are aging. These expansions, even if fully funded, will take a significant amount of time to complete.

I am greatly concerned by the reliance on these estimates given the fact that the Administration has recently made significant cuts to spending on veterans' healthcare, and that there is no identification of which construction projects will proceed first under the plan.

Another missing piece of the puzzle concerns the future of Montrose. There is a dire need in Westchester and the region for affordable housing for veterans. The Montrose campus is well suited for such use. However, veterans are concerned that housing might be built only for middle and higher income veterans, leaving behind the lower-income veterans who already are struggling to stay in the area. Some veterans have raised the concern that Montrose's beautiful waterfront campus on the Hudson River might be sold off by the VA instead of being used for veterans' housing and medical care.

There is also concern about the quality of the data about veterans in the Hudson Valley used to develop the plan. The Hudson Valley is one of the fastest-growing areas of New York, and the veterans' population is growing, too. Orange County alone claims the number of its veteran patients has climbed from 4,000 to 7,000 in recent years.

The bottom line is that the CARES process is moving far too rapidly to address any of these concerns. The Commission's goal of submitting final recommendations to Secretary Principi by the end of the year allows only a little over three months to hold hearings and examine a plan that constitutes a building-by-building review of 5,000 structures nationally containing more than 118 million square feet of space. I fear that by needlessly hurrying this process, the Department of Veterans Affairs will make hasty decisions that will downgrade the quality of veterans' healthcare in New York and the United States for years to come. Accordingly, I urge the Commission and the Department of Veterans Affairs to extend the review process and to hold additional, localized hearings on the plan.

I am deeply troubled by the message that we would be sending to future veterans by brashly moving forward with the reductions contained in the plan. This nation made a pact with the generations of brave men and women who we've been so fortunate to have don the uniform and risk the ultimate sacrifice for us: In return for their service, we would take care of them when they got back.

We need to make good on this promise by providing the highest quality health care to our veterans. And that means answering the pressing questions we've raised before any final decisions are even considered.

I thank the Commission for the opportunity to present testimony at today's hearings.

CHARLES E. SCHUMER
NEW YORK

COMMITTEES:
BANKING
JUDICIARY
RULES

United States Senate

WASHINGTON, DC 20510

October 21, 2003

The Honorable Everett Alvarez, Jr.
Chairman
Capital Asset Realignment for Enhanced Service Commission
810 Vermont Avenue, NW
Washington, DC 20480

Dear Chairman Alvarez:

Since the release of the Capital Asset Realignment for Enhanced Service (CARES) Draft National Plan, I have had the opportunity to talk extensively with individual veterans, leaders of veterans' organizations in the Hudson Valley, members of the veterans advisory committee for CARES in this region, and with several Veterans Service Agency county directors. I personally visited Montrose on September 26th and met with 15 veterans leaders who have been heavily involved in developing CARES recommendations.

One of the results of these discussions has been the creation of a list of questions for the CARES Commission regarding the Draft National Plan's recommendations for the Hudson Valley. The questions are as follows:

1. If inpatient services at Montrose are eliminated, will the Castle Point facility have adequate space and financial resources to absorb the patients displaced by the closure of Montrose?
2. Does the Department of Veterans Affairs intend to expand services at Castle Point, including long-term care and nursing home services, in order to address the aging veteran population in the Hudson Valley?
3. Will clinics in the Hudson Valley expand their services to veterans to include such services as x-rays, increasingly sophisticated testing, and light surgery?
4. What types of services will continue to be provided at Montrose if inpatient services are eliminated? Will these services include an outpatient clinic, enhanced use leasing for assisted living, low cost housing, or nursing home care?
5. Will the projected savings resulting from the CARES plan's recommendation to eliminate inpatient services at Montrose be dedicated to supporting operations at Castle Point? If not, where will these savings be directed?
6. Would the Department of Veterans Affairs consider selling the property at Montrose instead of designating it for enhanced use for veterans housing?

7. Does the Department of Veterans Affairs have data in its possession that reflects the increased use of the facility by veterans in Hudson Valley over the course of the last three years?
8. Has the Department of Veterans Affairs completed obtaining data that reflects the need for long-term care and psychiatric care for veterans in the Hudson Valley?
9. Has the Department of Veterans Affairs given full consideration to the increased travel time that would be required of patients and their families if spinal cord injury services were moved from Castle Point to Kingsbridge?
10. If service is reduced at the Montrose facility, will patients in need of Post-Traumatic Stress Disorder screening, chemically induced Post-Traumatic Stress Disorder treatment, inpatient mental health treatment, and substance abuse treatment be forced to rely on mainstream patient services at Castle Point?

I would greatly appreciate receiving your response to these questions. I thank you for your attention to this matter and look forward to hearing from you soon.

Sincerely,



Charles E. Schumer
United States Senate

Testimony of Senator Hillary Rodham Clinton
Before the
Capital Asset Realignment for Enhanced Services (CARES) Commission
VISN 3 - Montrose
October 21, 2003

Ladies and gentlemen of the CARES Commission, thank you for allowing me to present testimony on the Draft National CARES Plan. I am pleased that you recently decided to hold this hearing here at the Montrose VA, which serves veterans throughout the Hudson Valley. I am also pleased that the Commission will later be hearing from two veterans from the Hudson Valley, Daniel Griffin and James McCauley. I recently met with Daniel Griffin along with several other veterans from the Hudson Valley to discuss the Draft National Plan's recommendations concerning Montrose and Castle Point. James McCauley has long been active in Veterans issues in the Hudson Valley. They both have compelling points of view, which I urge you to consider carefully.

As I will explain more fully in my testimony, I believe that the Draft National CARES Plan and the process used to develop it are deeply flawed. The Plan has not adequately taken into account the impact of these proposals on long-term care, domiciliary care and mental health services. Moreover, this Commission and the Department of Veterans Affairs have not allowed veterans a meaningful opportunity to participate in the overall CARES process. The Department of Veterans Affairs needs to go back to the drawing board and develop its plan through a fair process that takes into account all relevant factors and allows veterans to fully participate in the plan's development. In the context of VISN 3, the VA's ill-considered recommendations regarding the Montrose and Castle Point VA hospitals would have severe consequences for thousands of veterans in the region.

At this time in our nation's history, with U.S. troops bravely serving in Iraq, Afghanistan and elsewhere, it sends exactly the wrong message to propose such drastic changes in veterans' health care without proper thought and deliberation. Our troops are fighting overseas to defend our values and way of life. We owe it to our current and future veterans to make sure that we provide the best health care possible for them and not rush to implement recommendations that provide our veterans with less adequate health care.

The CARES Process

As a starting point, our bottom-line goal should be the delivery of high quality health care services to our veterans, delivered as efficiently as possible. Unfortunately, the hasty procedures that the Department of Veterans Affairs followed to develop these recommendations are fundamentally flawed.

The CARES process was supposed to provide for a considered and comprehensive examination of veterans health care needs and services. However, the original schedule was to have the Veterans Integrated Service Networks (VISNs) submit completed market plans and initiatives by November 2002, leaving only five months to develop recommendations. Actually, the Market Plans were submitted in April 2003. The timeline was extended by four months but, in June

2003, the Department of Veterans Affairs sent back the plans of several VISNs and asked them to develop alternative strategies for consolidation. On June 12, 2003, I joined with several of my Senate colleagues in writing to Secretary of Veterans Affairs Anthony Principi objecting to this request as it appeared to target facilities with long-term, domiciliary and psychiatric beds.

Veterans' health care is too important an issue to require an adherence to artificial deadlines and hasty recommendations. With literally the lives of veterans at stake, the Commission should not engage in a rush to judgment over closing VA facilities.

Failure to Consider Long Term, Domiciliary and Mental Health Needs

As a result of the flawed CARES process, several important factors that are critical to veterans' health care have been neglected. In this rushed process, the impact of the proposed changes to long-term care, domiciliary care and mental health needs were not considered. The exclusion of these important factors taints the recommendations of the draft national plan. For example, the Draft National CARES Plan states that its mental health outpatient psychiatric provisions are "undergoing revision" and "should be available for next year's strategic planning cycle." Incredibly, despite this admission, the Draft National CARES Plan proposes reductions in beds in facilities that provide mental health services. Similarly, there is widely expected to be an increase in the demand for long-term beds for veterans over the next 20 years. However, and importantly for Montrose, the Draft National Plan does not contain any analysis of how many long-term beds are needed in the coming decades and yet still recommends closing facilities with long-term beds.

During a meeting between members of the New York delegation and VA Secretary Anthony Principi last week to discuss the draft plan's recommendations, Secretary Principi acknowledged that a plan for long-term psychiatric needs has not yet been developed. With all due respect to Secretary Principi and the Commission, it seems to me that developing a Draft National Plan before developing a plan for mental health needs is getting it exactly backwards. A plan for addressing mental health care should have been developed before the Draft National Plan was released, not after.

The Impact on Montrose and Castle Point VA Hospitals

Montrose VA Hospital

The Draft National CARES Plan for VISN 3 recommends eliminating all inpatient services at Montrose VA hospital and transferring most of these services to the Castle Point VA hospital. A decision to follow through on this recommendation would be a serious blow to veterans who currently rely on the Montrose VA hospital for their care.

Under the draft national plan, the Montrose Campus is slated to lose an estimated 105 long-term care beds, 116 domiciliary beds, and 70 psychiatric beds if it is converted to outpatient services only. Under the plan, these services would be transferred to the Castle Point Campus, which would become a Critical Access Hospital. However, as mentioned previously, the need for long-term beds has not been properly assessed and current projections forecast that there will be a

significant increase in the need for psychiatry beds through 2012. In order to ensure adequate capacity to handle the projected caseload, local veterans organizations support retaining all services at Montrose and Castle Point.

Moving inpatient services from Montrose to Castle Point will require, by VA's own admission between \$85 and \$100 million and take at least 5 and maybe as many as 10 years to accomplish. However, the Draft National CARES Plan provides no explanation for what will happen to services at Montrose in the meantime. Further, there is no analysis of how veterans will get services if future budgets do not include enough funds for the transition.

Wait Times

The often substantial waiting periods that veterans living in this region already experience at the Montrose and Castle Point Campuses and their satellite facilities underline the strain the system is experiencing. According to VA-supplied numbers, wait times vary from a low of 1.6 days for an EKG, to a high of 66.3 days for a cardiologist. It takes 9 days to see a diabetes specialist; 14.2 days for a group mental health appointment, 17.5 days to secure a primary care/medical bed; and 24 days for a gastroenterologist. It also takes 9 days to see the Chaplain.

According to VA officials at the Castle Point Campus, it takes 12.1 days for an EKG (while on average there is only a 1.6-day wait at Montrose); 13 days to see an infectious disease specialist; 15 days for a dental appointment (although representatives of veterans groups have informed my office that the wait is actually longer); 50 days to see a podiatrist; and 41 days to see an orthopedist.

The wait times at the regional satellite offices are lengthy as well. At New City, my office has been informed there is a 21.4-day wait for a primary care appointment and 72.5 days for an optometrist; at Carmel, 51 days for a podiatrist and 23 days for an optometrist; at Port Jervis, 31 days for primary care and 53 days for an optometrist at this facility; at Monticello, 14 days for primary care and 23 days for a mental health appointment. At Poughkeepsie, there is a 7-day wait for a primary care appointment. Those veterans who are highly mobile can drive longer distances to a regional satellite office with shorter waiting times. For many veterans, however, that is not an option.

In light of these concerns and the failure of the Department of Veterans Affairs to properly consider the impact of Montrose's closure on the availability of long-term and psychiatric beds in the Hudson Valley, the Montrose closure should be taken off the table.

Castle Point VA

The Draft National CARES Plan will also have a significant impact on the Castle Point VA. As described above, wait times at Castle Point are already too long. With the closure of Montrose and the shifting of veterans to Castle Point, the wait times are likely to get even worse. In addition, as you will hear, many area veterans have questioned the adequacy of space available for expansion at Castle Point. Clearly, additional analysis is necessary before closing in-patient services at Montrose and shifting additional patient care to Castle Point.

Listening to Veterans

Since the release of the CARES National Plan, a frequent complaint that I have heard from area veterans has been that the VA has not been listening to their concerns. While I applaud the Commission for heeding the calls of myself and other members of the NY delegation to hold the VISN 2 hearing in Montrose, the decision to originally hold only one hearing in Manhattan, too far for many of the veterans in VISN 2 impacted by the recommendations, sent a troubling signal.

In meeting with the veterans of this region, I have learned a tremendous amount about the health care issues faced by veterans in the Hudson Valley. They are frustrated that they face long waiting times at both Montrose and Castle Point and yet the plan is to merely shift more workload to Castle Point. They have also told me that they have heard promises for funding for new facilities before but that the reality has not matched the rhetoric. Finally, many veterans have pointed out that the public transportation options to Castle Point are lacking and that during inclement weather, it will be difficult for them to travel to reach Castle Point.

Conclusion

Our nation's veterans have served their country with distinction. Our nation made a pact with those who serve their country in the Armed Forces - a commitment that those who served would have access to quality health care through the VA hospital system. Yet this ill-considered and rushed Draft National CARES Plan threatens to undermine our commitment to our nation's veterans. That is why I will be offering legislation in the Senate to halt the current process until long-term, domiciliary, and mental health care are adequately considered and veterans are allowed to fully participate in the CARES process. Before Congress requires it, I urge the CARES Commission to reject the current Draft National CARES plan and advise Secretary Principi that you are unable to develop appropriate recommendations under current CARES procedures. If the current recommendations are rejected, the Department of Veterans Affairs and the CARES Commission can begin anew by taking into account the proper factors and input from veterans.

Thank you.

Congressman Maurice Hinchey's Staff

is preparing a written transcript

of the Congressman's Testimony.