

THE STATE OF THE U.S. DEPARTMENT OF  
VETERANS AFFAIRS

---

---

HEARING  
BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED TENTH CONGRESS  
FIRST SESSION

SEPTEMBER 18, 2007

**Serial No. 110-42**

Printed for the use of the Committee on Veterans' Affairs



U.S. GOVERNMENT PRINTING OFFICE

39-451

WASHINGTON : 2008

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

## COMMITTEE ON VETERANS' AFFAIRS

BOB FILNER, California, *Chairman*

CORRINE BROWN, Florida	STEVE BUYER, Indiana, <i>Ranking</i>
VIC SNYDER, Arkansas	CLIFF STEARNS, Florida
MICHAEL H. MICHAUD, Maine	JERRY MORAN, Kansas
STEPHANIE HERSETH SANDLIN, South Dakota	RICHARD H. BAKER, Louisiana
HARRY E. MITCHELL, Arizona	HENRY E. BROWN, JR., South Carolina
JOHN J. HALL, New York	JEFF MILLER, Florida
PHIL HARE, Illinois	JOHN BOOZMAN, Arkansas
MICHAEL F. DOYLE, Pennsylvania	GINNY BROWN-WAITE, Florida
SHELLEY BERKLEY, Nevada	MICHAEL R. TURNER, Ohio
JOHN T. SALAZAR, Colorado	BRIAN P. BILBRAY, California
CIRO D. RODRIGUEZ, Texas	DOUG LAMBORN, Colorado
JOE DONNELLY, Indiana	GUS M. BILIRAKIS, Florida
JERRY McNERNEY, California	VERN BUCHANAN, Florida
ZACHARY T. SPACE, Ohio	
TIMOTHY J. WALZ, Minnesota	

Malcom A. Shorter, *Staff Director*

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

# CONTENTS

September 18, 2007

	Page
The State of the U.S. Department of Veterans Affairs .....	1
OPENING STATEMENTS	
Chairman Bob Filner .....	1
Prepared statement of Chairman Filner .....	27
Hon. Steve Buyer, Ranking Republican Member .....	2
Hon. Harry E. Mitchell, prepared statement of .....	27
Hon. Jeff Miller, prepared statement of .....	28
WITNESSES	
U.S. Department of Veterans Affairs, Hon. R. James Nicholson, Secretary .....	4
Prepared statement of Secretary Nicholson .....	28
SUBMISSIONS FOR THE RECORD	
Brown, Hon. Corrine, a Representative in Congress from the State of Florida, statement .....	34
Brown-Waite, Hon. Ginny, a Representative in Congress from the State of Florida, statement .....	35
MATERIAL SUBMITTED FOR THE RECORD	
Post Hearing Questions and Responses for the Record:	
Hon. Bob Filner, Chairman, Committee on Veterans' Affairs, to Hon. Gordon Mansfield, Acting Secretary, U.S. Department of Veterans Affairs, letter dated October 10, 2007, transmitting questions from Hon. Corrine Brown, Hon. Stephanie Herseith Sandlin, and Hon. Joe Donnelly .....	35
Hon. Steve Buyer, Ranking Republican Member, Committee on Veterans' Affairs, to Hon. Gordon Mansfield, Acting Secretary, U.S. Department of Veterans Affairs, letter October 5, 2007, transmitting questions from Hon. Gus M. Bilirakis .....	39



# THE STATE OF THE U.S. DEPARTMENT OF VETERANS AFFAIRS

TUESDAY, SEPTEMBER 18, 2007

U. S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
*Washington, DC*

The Committee met, pursuant to notice, at 11:01 a.m., in Room 334, Cannon House Office Building, Hon. Bob Filner [Chairman of the Committee] presiding.

Present: Representatives Filner, Michaud, Herseth Sandlin, Mitchell, Hall, Hare, Berkley, Salazar, Space, Walz, Buyer, Brown of South Carolina, Miller, Boozman, Turner, Lamborn, Bilirakis.

## OPENING STATEMENT OF CHAIRMAN FILNER

The CHAIRMAN. Good morning. I am going to call this meeting of the House Veterans' Affairs Committee to order.

Thank you, Mr. Secretary, for joining us and bringing your team with you. As usual, we will have votes at some point soon. So, unfortunately, I am sorry we will have to recess, but we will have to do that to vote.

We have a very simple agenda, Mr. Secretary, and that is to thank you, to thank you for your service as Secretary, to thank you for your commitment to our veterans, for the job that you did for so many people in our society.

We want to again honor you for your service. We want to give you a chance to sum up the achievements that you have had and give us a to-do list in the future for us and for your successor.

You worked with us during very tough, challenging times. We have veterans that we have to serve from the past in World War II, Vietnam, Korea, Persian Gulf, and we have got new veterans coming back with very difficult injuries, very difficult circumstances that we are going to have to care for. That is a tough challenge. And we have worked with you to put the resources in place to meet that challenge.

I want to just personally thank you for working with us so closely during your term of office. I know my wife, Jane, thanks your wife, Suzanne, for working together on the Paralyzed Veterans of America (PVA) Gala.

And I want to thank you for taking this trip that Congressman Boozman and I, and you, took at your suggestion to Iraq and Afghanistan where we followed the trail of the wounded warrior from wounds on the battle field to medical evacuation, to surgery at a forward base hospital, to movement to the main hospital, and then

on to Landstuhl. And we followed that trail, talked to people who did surgeries or medivaced the people that we are going to have to serve in the future.

And we thank you for your leadership on that. I was particularly struck with a question you asked, of the people we met, on post traumatic stress disorder (PTSD) where you were concerned very specifically for what preparation our soldiers would have before going into battle as opposed to what we have been concentrating on after battle.

And I was very struck with your concern. I was struck with the lack of responses, by the way, but your concern, your commitment, and the far-sighted kinds of programs that you have instituted in the U.S. Department of Veterans Affairs (VA).

So, again, we have a simple agenda, to thank you and for you to say goodbye on a summary note and for letting us know what you see in the future. Again, thank you for being here. Thank you for bringing your team.

[The prepared statement of Chairman Filner appears on p. 27.]  
The CHAIRMAN. Mr. Buyer.

**OPENING STATEMENT OF HON. STEVE BUYER, RANKING  
REPUBLICAN MEMBER**

Mr. BUYER. Mr. Secretary, big smiles. This is your last time to testify here before the House. And I want to take the occasion to say thank you.

Those I have worked with over the years, the position as Secretary and that of Under Secretary can be a thankless job. And you also share the same intangible of the men and women you had the privilege to lead. They do not have to serve and work in the VA. They do so for a number of very personal reasons because they can sure make a lot more money doing other things.

I will agree with Mr. Filner that your sincerity is unquestionable. Your devotion to your fellow men and women is remarkable and I think you have exhibited that throughout your career, not only as an Army officer, not only in times of peace, but also in times of war.

And that has given you a tremendous amount of strength as you have also relied upon your faith to help guide you and to help guide our country among a lot of turmoil throughout the world.

So I thank you for your service representing our country to the Vatican as an Ambassador. I thank you for your service as Secretary, for having the privilege to care for America's most precious assets, the men and women who wear the uniform and have been hurt in the line of duty whether it be during peace or at war.

And your responsibilities really are not too much different from ours because the Constitution lays out those responsibilities. Ours are to fund your budgets. We also have the oversight responsibility and we also with earnest and sincerity work equally hard to right the wrongs and also then to defend that which we believe is right.

And we all want what is best for our comrades. And so there are times where we can disagree and agree to disagree, but I really believe that with all sincerity, that is the track in which we work.

And it only works when we all partner with each other, not only the House and Senate and with our interpretations of the Supreme

Court's judgments of what we do, but also among Republicans and Democrats who serve on the Committee. It only works when we partner because that is, in fact, how we get the best product.

When that does not happen, then America and the comrades who we serve do not get the best product. And that is what happened the last time that this Committee was back together.

We had a markup, a bill called H.R. 760, and for the first time that I have been here—matter of fact, we cannot even remember the last time there was a party line vote in this Committee. We are deeply concerned, the Members that I have had conversations with on both sides of the aisle.

We are going to work together in a bipartisan fashion. We are going to continue to do that. Those relationships we have developed over the years are too strong. I do not know the future and the way ahead. I am not the Chairman of this Committee.

Mr. Secretary, your record, I think, is pretty extraordinary. The reason I say extraordinary is because I think anyone that wants to step in to be Secretary of the VA wants to leave it better than what it was when you got there. You get the privilege of saying that.

Even though there are many challenges still in front of you, many of which you are still working on. When I think of the things that you have personally done, you have exhibited leadership, meaning you have said I will take the time to listen, to understand a problem. You accepted responsibility, accountability, and then you took positive action.

So when it was the issue on budget integrity and we worked with you on the budget modeling issues, you told this Committee that you will take ownership of the budgetary process. And when you did that and you fixed the flaws in that budgetary process, your budgets, which are 2007 and 2008, are very robust and receive compliments from not only the veterans community but also from this Committee.

When I think about the information technology (IT) systems, you have other departments of government that envy the VA. And what you have been able to do in empowering the Chief Information Officer will pay great dividends and I think you, by your actions, you are helping our entire government because, once again, the VA is at the tip of the spear setting the pace for the country.

The same with seamless transition. You are setting the pace and at times pulling the U.S. Department of Defense (DoD) begrudgingly your way. You have a partner now as the new Secretary of the DoD wants to work with you in doing that.

We also have the Presidential Commission and this Committee is eager to hear your recommendations and that of the President's Commission. And I am sure you have some comments on that.

The last thing as you are leaving that this Committee is eager to work on—Admiral Cooper will still be here—is the Disability Commission's recommendations to us and how we can address those issues.

Mr. Secretary, to you, I want you, as you leave here today, to know that we are deeply appreciative that you have taken time from your family to serve the greater family, that of your comrades.

I yield back.

The CHAIRMAN. Thank you, Mr. Buyer.

Mr. Secretary, rather than interrupting you, we are going to recess to vote and then we will reconvene to hear your statement. I apologize for the schedule, but it is not under our control.

Again, we are very gratified that you are here to be able to say goodbye and to say goodbye with a thank you for great service done to this Nation.

We will recess until the votes are over.

[Recess.]

The CHAIRMAN. Mr. Secretary, we thank you for your service. I know you brought your team with you. We thank them all. I do not know if they know what is going on with the team after you depart, but we thank the whole team for their commitment and their service to our veterans.

Mr. Buyer has arrived, so please continue.

**STATEMENT OF HON. R. JAMES NICHOLSON, SECRETARY, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY HON. MICHAEL J. KUSSMAN, M.D., MS, MACP, UNDER SECRETARY FOR HEALTH, VETERANS HEALTH ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; HON. DANIEL L. COOPER, UNDER SECRETARY FOR BENEFITS, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; HON. WILLIAM F. TUERK, UNDER SECRETARY FOR MEMORIAL AFFAIRS, NATIONAL CEMETERY ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; PAUL J. HUTTER, ACTING GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS; AND ROBERT J. HENKE, ASSISTANT SECRETARY FOR MANAGEMENT, U.S. DEPARTMENT OF VETERANS AFFAIRS**

Secretary NICHOLSON. Thank you, Mr. Chairman and Members of the Committee. Thank you for holding this hearing and giving us the opportunity to discuss the current state of the VA.

I would like at the onset to introduce those Members of my team that are here at the table with me. Starting at my right, your left is the Under Secretary for Memorial Affairs, Bill Tuerk. Next is the Under Secretary for Benefits, Admiral Dan Cooper. And to my immediate left is the Under Secretary for Veterans Health Administration (VHA), Dr. Michael Kussman. To my far right is Mr. Paul Hutter, the Acting General Counsel of the VA and to my immediate right is Bob Henke, the Assistant Secretary for Management of the VA. A group of very distinguished public servants, believe me.

It has been a real honor to serve the President and our Nation's veterans as the Secretary of Veterans Affairs these past 32 months. My own military service and the tradition of veterans go back a long way in my life.

My father was an enlisted man in the Navy during World War II. My father-in-law served in both World War II and Korea. My brother served 30 years in the Army. My son is a veteran and 4 of my nephews currently are Colonels in the Army and Air Force.

And I have a particular affinity for the young men and women currently serving in the Global War on Terror and to me, they are heroes, those volunteer servants.

Mr. Chairman, you and I, along with Congressman Boozman, returned recently from a trip to Iraq and Afghanistan and there we



had the opportunity to speak with these young troops as well as with their leaders.

What we both saw, what we all saw was the most impressive group of Americans, a group that makes us all proud. They know their mission. They know their jobs. They are motivated. They are all volunteers. They are young, bright, and speak eloquently of their patriotism and how they see the importance of their own roles in the war we are fighting today against the radical Islamists.

That trip and others that I have taken to that region, one with then Chairman Buyer, now Minority Member Buyer, renewed my own commitment to assure that we at the VA should do everything in our power to meet the needs and those of the families of these warriors. We can do no less. They have earned no less.

So, Mr. Chairman, today I would like to give you my current assessment of the VA with that mission as our background. I would like to review our initiatives and accomplishments and discuss remaining challenges.

My emphasis will be on the transformations that we have achieved, especially with respect to Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF).

My assessment is that the VA is quite possibly the best health-care system in the world. This is borne out by a number of sources, those who accredit and assess such things, as well as the major media of this country.

Most recently a book has come out called "The Best Care Anywhere: Why VA Healthcare is Better than Yours," written by a person named Longman whom I have never met, the fellow at a think tank.

And if you are not convinced yet, Mr. Chairman and Members of the Committee, I want to cite the ultimate source for you. The statement last week being, "The veterans hospitals, that is a completely government-run operation and it is the best healthcare in America," a statement by Bill Maher on the "Real Time With Bill Maher." So take that one to the bank.

The Veterans Health Administration really is quite extraordinary. It is a healthcare delivery system with the following characteristics, I think, which in the composite make it that world-class system.

It is a flexible organization that can change rapidly to meet the exigent needs of veterans. It leads the Nation in prevention, evaluation, and treatment of PTSD and traumatic brain injury, about which I will speak more momentarily.

It continues to lead the world in maintenance and improvement of the electronic transfer of medical information. It is a leader in applying the advances made in understanding the human genome with continuing research underway at the VA. And VA research will continue to push the frontiers of medicine and VA clinicians will lead the way in bringing the latest research advances to the bedsides of our patients.

And I would add parenthetically there, Mr. Chairman, that the VA has now successfully completed the clinical testing of a vaccine for shingles and that vaccine is now on the market and doctors can prescribe it to patients. That was done through VA research.

It will continue to improve patients' access to healthcare, reduce waiting times in virtually every area, and provide state-of-the-art prosthetic and other aids in a timely manner to all patients.

Let me speak to veterans' benefits. The Veterans Benefits Administration (VBA) is an immense institution. It provides a vast array of benefits to include educational benefits, home loan guarantees, life insurance, vocational rehabilitation, and employment programs.

It also, of course, administers the veterans pension system and the disability compensation system. Approximately 830,000 claims for disability benefits are now being filed each year. Claims for disability compensation, more than half of which are reopened claims seeking an increase in percentage of disability, present complex issues of service connection, effective date, and degree of disability.

For the veteran or his family unfamiliar with the legal and regulatory structure that defines this benefit system, navigating it can be a challenge. To assist them, the VBA now operates an extensive network of public contact and outreach.

During 2006 alone, the VBA public contact staff handled nearly 7 million phone calls from veterans and we conducted more than a million interviews.

Let me mention the Advisory Committee on OIF/OEF veterans, which I created to give me a tool to assess off-line, if you will, at the grass-roots level better how we are doing. It is an Advisory Committee on veterans and their families that assists me in ways to respond better to the unique needs and improve the programs serving those veterans, their families, and their caregivers.

The Committee is composed of veterans, survivors, and families, all of whom have a unique insight into just how we are responding to their needs. The Committee will continue its work in the months and years ahead and monitor how VA is doing, how we can do it better, and point that out directly to the Secretary.

Because of the unique and immediate needs of this particular group of veterans, that is the current combatants, I directed the Veterans Benefits Administration to give priority to these veterans who apply for disability compensation or pension. These claims are now being processed on an expedited basis.

The improvised explosive device or IED is the signature weapon of the war that is being fought today in Iraq and Afghanistan. Regrettably, it has given rise to what has been referred to as the signature injuries of this war which are traumatic brain injury or TBI, and post traumatic stress disorder, or PTSD.

PTSD is different from TBI although they can coexist. The stress of the type of warfare our servicemembers are experiencing coupled with the fact that they are redeploying with their units multiple times can sometimes give rise to one or more mental health diagnoses such as PTSD, substance abuse, depression, or anxiety.

To ensure prompt identification of these issues, I have directed that servicemembers and families coming to the VA for any reason, any reason whatever, be screened thoroughly for traumatic brain injury and PTSD.

The goal is to detect it early so that we can treat it and return that veteran to a lifestyle that is mentally healthy. And the probabilities of that are much higher the earlier that we detect it.

Helping each of our patients to get better is what the VA should be doing and this applies to mental illness as well as physical injury.

One venue for providing support for veterans with readjustment issues is our Vet Center Program. Across the country, there are 209 Vet Centers each staffed with professionals who provide no-hassle counseling to veterans and their families.

The VA has, at my direction, recently hired 100 new outreach counselors to provide the service to returning OIF/OEF veterans. These outreach counselors are themselves veterans as well. They understand that group of veterans and can relate directly to them. These new coordinators are located in Vet Centers throughout the country, especially near our military processing stations.

I would like to mention some of our health initiatives that we have launched. When I came to this job, I was stunned to learn that over 25 percent of the veterans that we are treating suffer from adult onset diabetes type II and that is a disease that is often associated with obesity. And diabetes is a disease that you well know can lead to complications which in time result in blindness, renal failure, and amputations.

Because of the seriousness of the diabetes diagnosis, I commenced a major campaign to reduce this high rate of obesity and diabetes in veterans. And it is underway and showing signs of promise.

Another major health initiative that we have kicked off is what we call the MRSA initiative. That stands for methicillin resistant staph aureus which is staph infection sometimes found in hospitals. We launched a pilot of this at our Pittsburgh VA hospital and found the results of it to be very promising. And we found that by isolating patients who were carrying the bacteria and by scrupulous sanitation habits that MRSA can be virtually eliminated, and it was in the Pittsburgh hospital.

So we have now launched, using that pilot as the model, this program across the entire system of the VA. And I might add that the staff, while it impedes work, especially of doctors who have to stop and regarb and wash their hands as well as nurses, it has been embraced enthusiastically. I would also add that MRSA today kills more people in our country than are killed on the highways.

Another initiative that we have launched is to try to fulfill the shortage of nurses that we have at the VA, which is endemic to healthcare in the United States. We feel that throughout the VHA system, there is a tremendous challenge for the recruitment and retention of nurses.

So as an effort to ameliorate this situation, we have recently created a new multi-campus nursing academy through partnership with the nursing schools throughout the country to address this shortage of nurses.

Over the years, there has been a radical change in the way that healthcare is delivered in this country. At one time, individuals who were ill went to a hospital and more often than not, they stayed there for many days, especially at the VA. That is no longer the case.

Today the best medicine involves getting you into and out of a hospital as quickly as possible—now the VA has nearly 900 out-

patient clinics which we call community-based outpatient clinics or CBOCs as well as outreach clinics. During my tenure, I approved 82 new CBOCs to bring the VA's top-notch care closer to veterans who have earned it by their service.

Among the things that make this system of healthcare so effective is the Veterans Health Information System or VHIS, the nationally recognized electronic medical record used universally throughout the VA such that an enrolled veteran can be treated at any one of our points of access and all of his or her relevant information will be available instantaneously at the treating healthcare facility.

Those are physical health initiatives. Let me mention mental health initiatives.

Of late, the DoD has released alarming statistics about the number of servicemembers who have committed suicide in the past year. According to a recently released Associated Press article, last year, the largest number of suicides of active-duty Army servicemembers occurred in 26 years.

Because of suicides among the veterans for whom we care, I directed the hiring of suicide prevention counselors at each of our 153 major medical centers and they are now on station. This was intended to strengthen one of the Nation's largest mental health programs.

I also directed the establishment of an around-the-clock national suicide prevention hotline. The hotline became operational in late July of this year and has now received over 4,500 telephone calls. And as a result of these calls to these suicide prevention hotline professionals, 165 veterans have been admitted to VA mental health treatment programs as a result of this new line of communication.

I want to mention IT transformation which transcends all of the things that we do. The structure of a large agency such as the VA must of necessity be adjusted over time to ensure that the institution can be responsive to its mission and the ever-changing demands thereunder.

Significantly the long, decentralized VA information technology structure needed to be updated and in my opinion centralized, and that opinion was supported by that of experts consultants.

So in 2006, we launched a major information technology transformation and consolidation or centralization. Significantly this will govern the way the VA uses and safeguards veterans' personal health information. With identity theft being among the fastest-growing crimes in the country today, this consolidation and the resulting heightened security of personal identifying information will make the VA the gold standard in the realm of information privacy and security.

In addition to the traditional VA missions relating to healthcare and benefits, the VA has a fourth mission worth mentioning which is to provide support to the country in the event of a national disaster. This is authorized through the "Stafford Disaster Relief and Emergency Assistance Act" and implemented through the National Medical Disaster Plan.

We spent a great deal of time in our operation in training and planning for this mission and we have now created, thanks to legis-

lation that you gave us, a new Office of Operation Security and Preparedness to deal with emergency planning and security. And it is charged with the planning for the continuity of government and the continuity of operations which for us, you can imagine as seeing over a million medical patients a week in the largest hospital system in operation, is an immense contingent responsibility.

I would like to mention briefly another initiative that we have taken. And just today I signed the paperwork to come here to the Hill seeking from you the creation of an additional Assistant Secretary of VA for Acquisition, Logistics, and Construction.

Each year, the VA spends billions of dollars for products and services. And each year, there are new additional VA medical centers put into the planning process for upgrading, modernization, or in some cases construction of new facilities.

And with the VA's physical plant being on average 57 years old, plus the demographic shifts in the veteran population, it is essential, I believe, that the VA do all it can to update and modernize its facilities. Yet the cost of purchasing land, design, and construction of a new VA hospital today is in the range of \$750 million. The magnitude of these numbers and the complexity of the acquisition processes indicate that there must be a very high level of competence and accountability in this mission.

Let me mention that the National Cemetery Administration (NCA), in addition to the health and monetary benefits VA provides. NCA provides memorial benefits for our fallen veterans.

In 2006, the NCA provided more than 330,000 headstones or markers for graves of veterans worldwide and currently maintains more than 2.8 million grave sites in 125 national cemeteries in 39 States and Puerto Rico, and, as most of you know, is in the largest expansion currently since the Civil War.

In the area of frustrations and challenges, I would like in candor to bring up with you, the VA claims backlog. It is a complex issue.

The VA can influence the output, that is the claims decided, but it cannot control the input. Quite the opposite, actually, because we have a very active outreach, soliciting more input. And in the midst of a war, more claims for service-connected disabilities are being filed.

In addition, veterans of previous conflicts have been filing claims at a higher number as they are reminded of incidents from their own military backgrounds by news reports of the current war.

From fiscal year 2000 to 2006, receipts of disability compensation and pension claims rose from about 575,000 to 830,000 and we expect to receive 835,000 claims this year. To control the output, we are hiring at a rapid rate additional staff. Since January of this year, we have already added 1,100 new members to help us in our commitment to reduce the claims backlog and the time it takes to process a claim.

The VBA is also working to consolidate suitable components of the work as has been recommended by the the U.S. Government Accountability Office to achieve efficiencies, more consistency in claims decisions, and better control over the process.

Let me mention another area that has been of concern to you and received quite a bit of publicity and that is in the area of bonuses at the VA.

Some months ago, it was noted that like every other government agency, the VA had paid bonuses to its senior executives. The bonuses were paid from a pool of funds created in accordance with statute and OPM regulations, that is Office of Personnel Management regulations, and the bonuses were determined by panels of senior executives acting in accord with these guidelines.

The highest Senior Executive Service salary is about \$165,000. A few bonuses in the amount of \$30,000 were paid in recognition of the accomplishments of highly competent, long-serving executives.

Some criticized that one of those executives had been involved in the preparation of the fiscal year 2005 budget. And another holds a senior position in the VBA, the administration that continues to struggle with backlogs.

Well, I have personally worked with both of those individuals and I have the highest regard for their ability and their prodigious work ethic. And I believe that the criticism leveled at each of them is unwarranted in that they encountered conditions beyond their control, having used their considerable skills to minimize the problems they encountered.

So in closing, Mr. Chairman, I would like to end where I started by thanking you for allowing me to appear before the Committee to discuss the current state of affairs at the VA and many, many of the positive things that have occurred during my tenure as Secretary and to mention some that remain challenges.

But working with you and Ranking Member Buyer and other Members of this Committee, I think we made tremendous progress. Together I think we have made the VA a stronger, more focused organization, focused on the very real needs of all of our veterans certainly, but especially those currently engaged as warriors in the Global War on Terror. It has been my pleasure to serve them as well as all veterans who have served before them.

So I would like to thank you and the leadership of this Committee, the President, and the entire Congress because you have all collectively been very supportive of the VA on my watch. We have no excuses for lack of support from you and from the President.

And, finally, I would like publicly to thank the employees of the VA. There are about 244,000 of them and they are, I think, an extraordinary group of people and they are bonded and motivated by a common denominator which is their affection for and their concern for America's veterans. And it has made me very proud as an American and a veteran to serve with them.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Nicholson appears on p. 28.]

The CHAIRMAN. Thank you, Mr. Secretary. I think we can all agree with that evaluation.

There is a famous Chinese curse, "may you live in interesting times," and I think you were Secretary at a very interesting time. And working with your agency, you have met those challenges.

Mr. Hall, would you like to—

Mr. HALL. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, for your service and for your testimony.

And, Mr. Tuerk, Admiral Cooper, Dr. Kussman, Mr. Henke, and Mr. Hutter, thank you all for being here and for your service as well.

If you will excuse me, I will start with a parochial question which is regarding the Montrose VA Center in my district, New York's 19th. I am just curious.

I know the County Executive has requested a meeting with you, County Executive Andy Spano from Westchester County, about his concept for a veterans village which would incorporate continuing full healthcare facility with independent living, assisted living, nursing care, and so forth, and other uses of that facility which he is proposing along with the Town of Portland which it resides within.

And a number of us representatives in the New York Delegation from that area had written to you, I am sure you remember, asking if you would hear him out before making a decision that would preclude that kind of use of the Montrose campus. I am just curious if you have met with him or had an opinion on that yet.

Secretary NICHOLSON. I have not met with him, Congressman, but I know that I have gotten a letter requesting a meeting. I do not know where it is in the scheduling system.

I am very familiar with the situation at Montrose and Castle Point. I have been there twice and I think I know the issues well. I would be happy to meet with him.

Mr. HALL. Well, I will try to make sure that he gets down here before you are on to your next position.

And your statements on the bonuses are well taken. And I just wanted to ask, given your description of good people doing the best they can and working with a prodigious work ethic and so on and conditions being beyond their control, is there a responsibility somewhere or is this just beyond all of our control? Is this something that we or the Administration, you know, those of us in Congress should have done differently or should now be looking to do differently to make it within our control?

Secretary NICHOLSON. No. I do not think that these things are beyond our control or that there are people without responsibility. Ultimately, I have the responsibility.

And in the area of the claims backlog, I have tried to cover that briefly in my opening remarks. And I will say that I think that we can bring that time down. It is currently taking about 180 days and I think that, practically speaking, we can get that down to 145–150 days. And we have a path we have created to do that, or assuming the input remains relatively stable which is at a very high rate.

But there is an irreconcilable expectation in that arena today given the current law and the way the courts have construed that law which is totally consistent with giving the benefit of the doubt to the veteran. And it is kind of detailed.

But any time you need another document to try to confirm something and you contact a veteran, if you can find them and if the veteran can find it, it puts a tag of time onto that. They have 60 days within which to respond any time you do that.

Mr. HALL. Right.

Secretary NICHOLSON. So if we are going to leave it in that sort of modality, that is perforce going to be a pretty long process.

Now, we have hired, I think, about 1,600 new claims evaluators in the budget that you have approved. It has gone to conference. I think there are another 1,100 that will be hired. We think the average time will come down to that 150-day area. Now, just a few years ago, it was at 220.

Mr. HALL. Yeah. I appreciate your working on that and, you know, taking the ball and running with it. And I see the yellow light which means I am about to run out of time. So excuse me for interrupting.

Secretary NICHOLSON. I just wonder if I could just finish the point.

Mr. HALL. Sure.

Secretary NICHOLSON. The person that was named, personally named in this incident is not responsible for this system. In fact, the opposite. This guy has really led and worked hard and I support him a hundred percent.

Mr. HALL. Well, thank you for that endorsement.

I just wanted to ask one last question which is whether you believe the traumatic brain injury capacity of the VA itself to be adequate at this point? Do you think we need to have outside private facilities involved because there are a number of them that I know of that are coming in offering to help and are asking to be included in treatment?

Secretary NICHOLSON. I think that there is a place for both. I think that for the initial care and treatment of a severely brain damaged veteran, it is appropriate for them to be in our system and our polytrauma centers—we now have 21 of them, 4 for acute care. I am trying to get some geographic proximity for them and their families.

But I think there are cases there for the long-term therapy treatment, maybe lifetime in some cases, it would be appropriate for them to use local providers for that treatment and therapy because they are right there in their community. And the VA can do that.

Mr. HALL. Thank you very much, sir.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Miller.

Mr. MILLER. Thank you, Mr. Chairman.

Mr. Secretary, I echo the comments of my colleagues who have thanked you for your service at VA. We have all enjoyed having the opportunity of knowing you in your current capacity, your prior capacity, and look forward to working with you in the future and folks at VA.

Personally I am very thankful for the issues that we have worked on together for the 1st Congressional District in Florida. Even though you will not be the Secretary when the doors are opened on 2 CBOCs that will open next spring, please accept this as a personal invitation. We would love to see you come back through northwest Florida.

One issue that I think you and I both agree that we disagree and I probably more vehemently so than you is the issue of New Orle-



ans and the decision to site the current facility downtown in Orleans Parish.

I still think it is a huge mistake and hope that this Committee, Mr. Chairman, will have an opportunity to debate it fully when we look at the authorization, continued authorization and funding of that particular facility in New Orleans.

In tagging on to some of the comments that you made to Mr. Hall in regards to the backlog and how long it has been taking, I have been on this Committee now 6 years and every time somebody comes and comments to this Committee, we hear the number is going down, but still, 150 days is an awful long time.

I would love to see VA go in and do an overkill instead of making sure we have just enough people in order to make sure things work, that we may have in this instance maybe too many people which may thereby give an advantage to the veterans in a situation.

I do not want to categorize it as excuses, excuses, but everybody that comes and testifies does bring a new opinion for the reason that we continue to have the delays. And I do not think any of us here, and certainly I do not believe you feel that they are acceptable. We salute you on bringing the number down considerably, and if you could comment on that.

My first question is even though you are departing, I know you have been looking at goals for 2008 with VA and certainly recommendations to the next Secretary when they come in, what would you say the top 3 goals for VA would be for the next year?

Secretary NICHOLSON. Well, this area of claims would certainly be at the top, to continue to work. You know, we are going to hire 3,100 new staff in that area this year and next year. And we are experimenting with ways that we can automate this system. So in a generic response, I would say that needs a great amount of continued command focus.

Another is for the leader of the VA to continue to emphasize greatly that transitional demands of a wartime environment for the warriors coming from DoD to the VA and the need for an efficient, effective way for that to happen. Now, I think we have gotten pretty good at that, but we still run into the exceptions. And we have taken a lot of measures to try to perfect that, but that finally, I think, would need a great deal of their attention.

And, thirdly, the physical plant, it is a huge organization and it is aging. And I just yesterday had a meeting with people in the White House to talk about alternative ways to finance VA facilities. And I think that we need to start thinking outside of the box about how we are going to do that because you know the methodology as well as I do.

But the VA has not delivered a new hospital, it has not commenced a new hospital in its planning stages for almost 20 years. And now we are going to have one in Las Vegas in hopefully a couple years or so and that will be the first new hospital the VA will have delivered in 20 years.

And the plant keeps aging and inflation keeps going up. Replacement costs keep going up. So we have to think of a new way, I think, to finance hospitals. Just like you have done with military housing, just like you do with the U.S. General Services Adminis-

tration office buildings, the VA needs new tools and I am going to do my best for what it is worth to improve my replacement to pick up that cudgel and continue to carry it.

At this point, we have not come up here with that very much because we are having a lot of engagement with the executive branch and the Office of Management and Budget on that. That is a very important point.

The CHAIRMAN. Thank you.

Mr. Hare.

Mr. HARE. Thank you, Mr. Chairman.

Thank you, Mr. Secretary. Just a couple of issues that I would like to talk to you about here.

One of the things that I am, as my friend, Mr. Miller, was talking about, is in terms of overkill on these disability backlogs. You know, I am wondering why don't we treat our veterans as we treat average taxpayers on this claim business. They file the claim. We process the claim. If there is an audit for the claim—I mean, I really believe and I hope that this Committee will come up with some legislation to err on the side of the veteran and not so much on the VA.

My fear is hiring people is a great idea and hiring additional people, but it takes time for those folks to get trained. And still the ideal thing going from 180 to 145 puts our veterans at still 145 days of waiting. One question I would like is maybe get your thoughts on saying if a veteran files a claim, I really believe that 99.9999 percent of the veterans who are going to file disability claims are not trying to take one over on the government. And why we cannot expedite that process even if it is a partial payment of the claim until that claim gets adjudicated.

The other part of that is, as you know, sometimes in the appeals process that could go on for a long, long time, if the veteran dies, his or her spouse has to start all over again at square one to pick that claim up. And it seems to me that we can do better.

The other issue, and I just want to get some thoughts, and the second issue is we had some disturbing testimony here from a young Marine and it was the story that ABC News had done about the VA or Department of Defense, whoever, identifying almost 22,000 soldiers who the claim was they had preexisting conditions. This young man, it took him 5 attempts to get his disability and he had gotten a Purple Heart and then they wanted, you know, \$3,000 of his enlistment bonus back.

I am wondering, there again, would you share the feeling that we ought to have a moratorium put on this immediately so that we do not have additional vets who are being wounded? And as I said to him at the hearing, I am amazed that they did not ask for your Purple Heart back in the process too.

And this man, by the way, Mr. Secretary was screened 3 times prior to deployment. And my question when one of the witnesses was here, I said how did 22 or 23 thousand people get through the system with supposedly personality disorders.

And I think what happens with a lot of veterans is they have a backlog claims process, and this may or may not be the case, I do not know, but to them, to the veterans I have talked to, they said this is just another way of them dragging it out so we cannot get

our disability. And it would appear on the surface that they are getting taken for a ride.

So I wonder if you maybe would be willing to comment on both of those and see if there is any support from you or the VA or hopefully, someone that follows you.

Secretary NICHOLSON. Let me comment first on your question about the presumption. I happen to share that view and I have been an advocate of that on a pilot basis. I have not been able to sell it internally.

And I will tell you that the veterans service organizations (VSOs) are not totally concurrent on it either and I have met with them and discussed it. But I think that would very much speed it up and then we could go back and audit and, you know, make spot checks like an Internal Revenue Service tax refund so that you have integrity in the system.

The other issue that you raised, Congressman, I think that that is mostly a DoD issue in those preexisting conditions. But having said that, I will tell you, because I am extremely involved in the work of the Dole-Shalala Commission, and they will be coming here to the Congress, I think tomorrow, and you will hear their recommendations. And I think the most significant part of their 6 main recommendations is that on the reformation of the disability system and trying to do away with the repetition between DoD and VA, streamline it.

I think they have some very, very good ideas in there. Some of those are controversial and you will see that, but that will greatly accelerate this never-never land that a young person is put in when they are injured about whether they are fit to stay on military duty. If not, what is their amount of compensation. That will come to the VA to make that decision from DoD.

I do not really want to preempt that, but I want also to remind you that, I mean, this business about the VA trying to delay a claim so that it will go away or somebody will—that is apocryphal.

First of all, our priority is on the current warriors and that is taking about 100 to 110 days.

Secondly, any veteran who files a claim and is successful is paid from the day they filed the claim. It is paid retroactively to that day.

Thirdly, in this body of claims, 55 percent of them are people who already are getting compensation from the VA system and they want it to be upped and that is their right. I am not contesting that.

And, fourth, we have a priority also for claimants who are 70 years old or older because they are getting a little older, so they are a priority.

Mr. HARE. Just one quick thing. I agree with you, Mr. Secretary. I do not think the VA, and I did not want to imply that, but from the veterans who are out there and they are struggling with the claim backlog as it is, you know, the anger is driving this is in terms of, well, nobody wants to help me out. So I know the VA is doing the best it can given what we have been able to give you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Hare.

Mr. Boozman? And, again, thank you for participating in that very interesting and emotional trip to Iraq and Afghanistan with the Secretary and myself.

Mr. BOOZMAN. Thank you, Mr. Chairman. Thank you for inviting me. It was truly a very beneficial trip for me and enjoyed being with you guys.

I just want to thank you very quickly. You have had an interesting career being in the military and in being a very successful businessman and taking those talents and using them for government service.

And I do not know where you are going to be led to wind up next, but I feel sure that you will continue to use those talents for the benefit of your country. And so we really do appreciate you.

The other is I would like to say as somebody that has been real involved myself and Ms. Herseth Sandlin on the Economic Opportunity Subcommittee, we have all been working very hard to try and get veterans to work, you know, to try and get their education benefits and trying to provide some flexibility. And we are going to continue to do that. But I do appreciate the level of cooperation.

I think, we, you know, working together really have achieved a lot. I firmly believe if we can get veterans, get them separated, get them, you know, where they are gainfully employed, not employed, but employed to their abilities that that really does prevent a lot of problems down the line. So, again, I appreciate the level of cooperation.

One thing that we are hearing a lot about, one thing that I am in favor of is trying to expand the level of service to additional veterans, you know, veterans maybe that have fallen through the cracks, that we are unable to serve now. There is a move in Congress to perhaps include those in the future.

My concern is as we do that is that we are not prepared for that. We do not really have good data. If we add additional people into the ranks that can get benefits through the healthcare system, what that will do to the present system. We have all worked so hard to get our numbers down, you know, where people are being seen as best we can on a timely basis and things.

Can you comment about that and maybe some of the things that you see that we need to do to prepare for that or at least have the information that if we do extend, you know, the sevens and eights, whatever, what that would do as far as the system in preparing? You mentioned that we had not built a new or we had not really had the new facilities online. You know, we are doing in Las Vegas.

But I guess what I would like is just some sort of an observation as a guy that has been fighting the battle, you know, of how we can go about logically planning for that if we do decide to hopefully extend the ability of the people to have access to veterans' care. Does that make sense?

Secretary NICHOLSON. Is the sense of your question, Congressman, how we can make it available to more veterans?

Mr. BOOZMAN. Well, yes. If Congress does, if we go forward, you know, we make it available, what is that going to do to our system? How can we plan to have enough hospital space, enough outpatient space so that we do not—you know, we do a good thing? We have got veterans coming on, but we do a bad thing in creating longer

lines, you know, longer—and in that point, we do not service anybody well.

Secretary NICHOLSON. I understand. Well, you know, so much of this is resource driven and so it would depend on ultimately the amount of resources that we could get to bring to bear on that if the decision is made to open it up for more veterans.

There are about 25 million living veterans in the country today. We have nearly 8 million enrolled for our healthcare system. We are paying benefits to about 3.6 million.

So you can see that there is still a lot of, as they say in the private world, a lot of market share out there that potentially could come to the VA. And then it would be a question of what it would take to still maintain the kind of priorities that we have which are for the veterans that are the most seriously injured, those that are indigent, down on their luck, special medical needs, and service-connected injuries.

I think that if there was going to be a decision to greatly expand the VA that there is definitely a need for a lot of new hospitals, both hospitals to be replaced and then there are places that would need new hospitals.

But we could do a lot and are doing a lot with this great clinic system, this preventative medical system which is really the chief characteristic of VA medicine. And it distinguishes itself from civilian medicine because, unfortunately in the civilian medical world, there is not a financial incentive for good preventative medicine. There is really nobody to pay for it.

Mr. BOOZMAN. Right.

Secretary NICHOLSON. Insurers, Medicaid, Medicare, they do not pay for it. At the VA, we emphasize it which is another reason that we can take care of so many people so economically on a per-patient per-year basis.

And I think that that characteristic could be maintained if it was greatly expanded, but the base facilities would also have to be. So the physical plant and then, of course, the accompanying personnel expansion would have to follow. But it is doable.

Mr. BOOZMAN. Thank you very much. Again, I appreciate you and appreciate the leadership and service that you provided, you know, as heading the VA. Thank you.

The CHAIRMAN. Thank you.

Mr. Salazar.

Mr. SALAZAR. Thank you, Mr. Chairman.

And, Mr. Secretary, I want to especially thank you for your friendship and the great working relationship that we have had over the years and you being a fellow Coloradan and all. And I want to thank you for your service to this great country.

Let me just ask you a couple of things specific to Colorado. I know that we have been working on Fitzsimmons Hospital and I understand that Ms. Berkley already is getting hers in Nevada, of course. Senator Reid has—

The CHAIRMAN. We are going to reconsider that, I think.

Mr. SALAZAR. Don't say that. We should make that a priority, of course. And, you know, this morning, I got a call from Soldiers Home in Monte Vista, Colorado, and you are well aware of that facility. It is an old facility, was badly needed as far as it is falling

apart. And we need the additional funds for the construction of trying to rehabilitate it.

And we have been in constant contact with Mr. Tuerk on the new national cemetery that we are proposing for El Paso County in Mr. Lamborn's district and we passed legislation out of this Committee and out of the House, and would certainly urge you to support those issues before you leave.

And I look forward to working with you in the future and just wanted to thank you very much.

Secretary NICHOLSON. Thank you.

The CHAIRMAN. Mr. Brown.

Mr. BROWN OF SOUTH CAROLINA. Thank you, Mr. Chairman.

And I also would echo the same remarks, Mr. Secretary. We are grateful for your service, of your background not only in VA but your service in Vietnam and other contributions you have made. And we are grateful for your willingness to take on the leadership of the VA.

We are grateful for the opportunity that we have had to spend together touring the Gulf after Katrina and Rita, and also your willingness to look outside the box on healthcare delivery.

I know that Congressman Boozman was talking about what is going to happen when, you know, the needs of the VA continues to rise. We looked at what we are looking at now, the VA Medical University partnership and we are grateful for your openness there.

I know Dr. Kussman was down last week to look at the ways we might be able to unite some services not only just in Charleston but around the country.

But also the VA health clinic that is being built up in Goose Creek region. There is a DoD/VA sharing clinic which is another opportunity to maximize, I guess, the resources and assets that the VA has.

We just wish you well wherever your next step might be and we are grateful for whatever you might be able to do to continue to enhance the sharing opportunity because we recognize that, you know, building is expensive and certainly some of the research equipment is awfully expensive, particularly as we deal with some of our most critically injured veterans, you know, with the brain injuries, with the loss of limbs.

We are in a different kind of environment than we have ever been. And so we need to look at ways we can better, you know, use our resources. And I think sharing between the teaching hospitals and DoD and VA all working together, I think, is the way to do it.

And thanks for your leadership along those lines.

And thank you, Dr. Kussman, for your leadership too.

The CHAIRMAN. Mr. Walz.

Mr. WALZ. Thank you, Mr. Chairman.

And a special thank you to you, Mr. Secretary. I would echo what you have heard from everyone here. And your commitment to this country, your service both in uniform and now in the VA is something all of us can strive for.

And I know that you and I share the same goals in that that organization of the VA is one of the critical agencies in this govern-

ment. And our goal is to provide the highest quality care and benefits to our Nation's servicemembers that we possibly can.

And I complimented you on that and I have said that long before you said you were going to retire, so you know where I stand on that.

I also have complimented what needs to be complimented. But just like you, those of us who care deeply about this issue also know that our job is oversight and it is to be critical where we are not making progress.

And I want to especially thank you for taking the time to invite me over to your office to talk about these issues where we had differences and passed on some of your knowledge about leadership and how these things work. As a new Member here and in my 8 months of infinite wisdom, I appreciate someone taking a little time to do that.

And I think it was very healthy. And one of the things that came out of that is we agreed to communicate. So I appreciate that.

I am very proud to sit on this Committee. I am very proud that I think we passed a budget this year that reflects the needs of our veterans.

We all know the reality of this, that many of these things do take on political rhetoric. This piece of legislation, though, by the way, the Military Construction and VA appropriations bill passed 409 to 2 in the House of Representatives.

It did not stop the President from giving us a veto threat early on. But since that time, he has withdrawn that and I am appreciative of that.

I just had 2 things and I guess I know you have always spoken freely here, but you are in kind of a unique position. These may be some of the last questions you have to take standing here in front of Congress.

But just to pass on your wisdom, if you have the ability to, I heard you talking about this issue of facilities construction. You and I know that this is really at the heart of many of the debates happening in this country, how we are going to fund infrastructure, what is the role of government in this.

And I tend to be where you are at on this, that I think everything should be on the table. Unfortunately, many of us feel like not everything is on the table. I hear you talking public-private partnerships. I am sure willing to look at it. I am sure willing to listen on that.

One of our concerns is that we are seeing, that we feel in many cases, maybe the choice is some of these issues that should have been on the table and if we have got a need to construct VA facilities, I would argue that the American public would like to make the decision that possibly their tax dollars could go to building those and that maybe we do not need to move into the future bonding or whatever it would be. But perhaps it could be.

And I think it is refreshing that you bring that up. I think it is refreshing that you are pushing it. I hope, though, that that runs both ways with the Administration, that they are willing to look where we are at on this about prioritizing.

My one question to you on this, and I know this is a big one and it lays out there, but it is one that I wish we could throw out there

and decide, the issue of mandatory funding, where you would come down on this.

Would this help make VA's ability to budget for multiple years easier? Would this help us address this issue of where we see the ups and downs of the cycle of funding versus need? Would the mandatory funding in some manner or some mechanism in your opinion, is that the right way to go?

And I just leave that. I know it is a big one. It is broad. But you have got vast knowledge in this and I am interested to hear.

Secretary NICHOLSON. Of course, that came up when I began to be briefed on this job before my hearings and people came around to brief me. And so I try to take sort of an objective look at it and see if it just was not, you know, a partisan, sort of philosophic view, and have done that.

And I conclude that I do not think it would be a good idea for the VA. In many ways, it would be much easier for the Secretary of the VA and a lot of these senior staff guys because it would be formulaic, but this is a dynamic organization that is subject to the slings of demand that come for things like wars. It could come from epidemics, other things.

And as difficult as it is to project needs, and we have a very sophisticated modeling program that we use, you still need to do that. I do not think you can be looking back with some formula to decide what you are going to need in the future. And there is a lot to this, Congressman Walz.

But I would also say, and this is just gratuitous on my part because it is really your bailiwick, but I do not think it would give you as good oversight as you now have over the VA and over-spending.

Mr. WALZ. Well, thank you again, Mr. Secretary. I appreciate your wisdom on this. And, once again, we cannot say it enough, your willingness to take this job and to take this on at this time in our Nation's history should be commended. And I appreciate what you have done.

Secretary NICHOLSON. Thank you.

The CHAIRMAN. Ms. Herseth Sandlin. I will get that right some day. Stephanie, you are on.

Ms. HERSETH SANDLIN. That is great. Okay. Thank you, Mr. Chairman.

Mr. Secretary, as you prepare to leave in the upcoming weeks, I, too, want to echo the sentiments of those who have expressed appreciation for your service as Secretary of the Department, your prior military service, the service to the country in other capacities. We wish you well.

And you have been always gracious in answering all of our questions and staying well beyond sometimes when others in the second or third round have posed issues to you and worked with us in a more informal setting.

And all the folks that are accompanying you today, we appreciate how closely and well they have worked with you in the last over 2½ years in your capacity as Secretary.

I have just a couple of questions. The first one relates to a circumstance that a constituent of mine experienced. He suffered a devastating traumatic brain injury while serving Iraq.



Well, his wife and mother who were helping take care of him during rehabilitation and traveling from South Dakota to California where he was getting his rehabilitation were looking into and doing a lot of research on benefits that would be available in preparation for their return home and one of those was the specially adaptive housing benefits that the VA provides.

And we had passed in the Committee legislation back that was signed into law in 2003 that permitted disabled transitioning servicemembers to apply for those adaptive housing benefits.

And so when my constituent's family started making the inquiries, they were told that, no, he could not apply. And they actually did the research and had to share the statute and the information with the folks, with the VA.

Now, again, I know we have made a lot of changes both statutory and some regulations over the last 2, 3, 4 years, but this circumstance led me to sort of wonder, and that is my question to you, what does the VA do to ensure that employees are as up-to-date as possible on recent changes, either statutory or regulatory, to the benefits so that when questions like that are raised, they do not get misinformation to begin with and have to come back and actually extend the process of applying?

Secretary NICHOLSON. Well, I am sorry to hear about that case. I will speak generally and then ask Admiral Cooper to address the specific piece of that benefit.

We have a constant teaching/learning facility using a lot of the virtual capabilities that we have created for people to be schooled on these things. We have a lot of workshops, conferences, and so forth. And we have a lot of new people that come in all the time. But the older cadre are relied upon to keep them current on what these regulations are.

So I do not understand why that would have happened, but I will ask Admiral Cooper if he has anything more specific he could add.

Admiral COOPER. Unfortunately, I do not. I would really like to find out the name of this person to understand it completely.

We are very strong on training. Our Loan Guaranty Program is a very, very good program. And, yes, there are changes, but we attempt to notify employees about those changes as soon as possible.

I am very sorry to hear about this and will look into it as soon as possible.

Ms. HERSETH SANDLIN. I appreciate that. So when the changes are made and, as you said, Mr. Secretary, in kind of the virtual environment of the Internet and sharing this information with employees across the country and the different offices that are administering the different benefit programs, is there a period of time in which the change is kept where an employee has access to some sort of Web site or link where the recent changes are maintained?

Secretary NICHOLSON. Absolutely.

Ms. HERSETH SANDLIN. Okay.

Secretary NICHOLSON. Absolutely. It is on the Web site. We put out specific letters telling them as soon as it is effective what is effective and the procedures that they should follow.

Ms. HERSETH SANDLIN. Okay. I appreciate that.

And then, Mr. Secretary, on the issue of mental health for our veterans and the number of cases of PTSD that many veterans of

past wars as well as those that have been identified returning from Iraq and Afghanistan, I know that over the last couple of years, we have worked with you to identify just what resources are necessary to ensure timely diagnosis and effective treatment throughout the VA medical centers.

And I do not know if you have this information on hand today. But if you or someone could get back to us with the number of caseworkers versus the number of upper-level management that have been hired over the last 2 years to specifically address PTSD because, unfortunately, I have heard, and, again, this is anecdotal and that is why we hope it is not a trend at other medical facilities, but then when additional resources became available to help treat PTSD that the hiring that followed actually was more in supervisory and upper level management versus the caseworkers and so it did not spread out the load in terms of the number of cases coming into the VA medical centers.

So if we could perhaps get the numbers system-wide of the hires over the last 2 years with that increase in resources.

And then a just final thank you, Mr. Secretary, for approving so many CBOCs. We have 2 now in South Dakota that everyone is very excited about, in Wagner and Watertown, as well as others. I think that they serve so many veterans not just in rural areas but certainly the focus on preventive care as you mentioned, I think it has just been a great service to reduce the travel time and to have folks locally that people are familiar with oftentimes that are working in these clinics.

So thank you very much for that.

Secretary NICHOLSON. Well, thank you, Congresswoman. I do not have that breakdown between supervisory and clinicians or practitioners. We will get that. I can give you kind of an overview.

We have greatly expanded our mental health capabilities in the last 3 years and our budget is now up to \$3 billion that you have provided. And we have over 9,000 clinicians working in mental health now in the system. And a lot of that is geared toward this post traumatic stress disorder need that we are seeing coming back from this war.

So, we think we are doing well. We have trouble hiring in some places mental health clinicians. One, they either do not want to live there or there just are not any. You know, they are short in that region and we are having to pay some incentives to some people to come with us. But we will get you that breakdown.

[The following was subsequently received:]

Since VA began implementing its Mental Health Strategic Plan in 2005, VA senior leadership has emphasized that Mental Health Enhancement funds be used primarily to hire permanent clinical staff to provide direct clinical care. Since 2005, VA has funded 4,300 new mental health positions; 3,800 of these positions are direct clinical service positions. The remaining 500 positions are administrative or support positions. For Post-Traumatic Stress Disorder (PTSD)-specific initiatives, 350 new positions have been funded. 307 of these positions are for direct clinical service providers that generate clinical workload. As of August 31, 2007, 323 of the positions funded for the PTSD-specific initiatives have been hired. In addition to the specialized PTSD initiatives, many of the other Mental Health Enhancement Initiatives (e.g., OEF-OIF-related initiatives, Primary Care-Mental Health Integrated Care initiatives) involve the provision of mental healthcare and outreach services to patients with PTSD.

The CHAIRMAN. Thank you.

I should tell you, Ms. Berkley, that the Secretary said just before the hearing that we found out that Las Vegas was not the fastest growing place where veterans are and we have moved the hospital to that place. I think it is in Arkansas or something like that.

Ms. BERKLEY. It would be a cheap and ugly scene if you did that.

The CHAIRMAN. But we thank you for your hard work over many years for a hospital. We are grateful that we are finally moving on this.

Ms. BERKLEY. Thank you, Mr. Chairman.

Firstly, let me add my thanks to the rest of the Committee's good wishes for you in your future. It was a pleasure getting to know you and your wonderful wife quite a bit better when we traveled to the veterans cemeteries throughout Europe. It was a remarkable week and I appreciated you allowing me to go along.

I hope you realize that all of the times that I have driven you to the point of distraction, driven you crazy for that VA hospital, a long-term care facility and outpatient clinic was because of the desperate need in my district that continues to this day.

There are a couple of points I want to make. One is, do you think it is possible for you to send one of your upper level people to come to the office and give me a briefing on what is happening out there? I have been out there, of course, myself. There is a lot of movement of dirt.

But this way, when your successor takes that seat, I could be completely up-to-date on what is happening and what the expectations are and when we can expect a conclusion of those facilities. It cannot come, as you know, a moment too soon. That is number one.

I am very concerned about the continued funding of the VA and the needs that our veterans have. I mean, we talk about Social Security and we talk about Medicare and the needs and the strains on the system as the baby boomers start retiring.

But I think there is another area that we are going to have to be very concerned and that is continued funding for the VA so that we can adequately take care of these veterans between the infrastructure needs, additional hospitals, and being able to take care of the healthcare needs of our returning veterans, many of them, at least 20,000 is the latest number I have, that have been wounded in Iraq.

This is an obligation we are going to have for many, many decades to come and we are going to need to know how to fund this. And if it is not by mandatory funding, I do not know how we are going to continue with the strains on the system.

I want to emphasize something that Ms. Herseth Sandlin said and it has to do with the PTSD situation. And I know that this Committee, we have had a lot of testimony. I know they have on the Senate side. I know you are very cognizant of it.

But just in the last little while, I have lost 3 Nevadans to suicide. And there are a couple of points I want to make.

One of them was a man named Justin Bailey and he came home. He was wounded physically and also obviously mentally. He was addicted. His parents insisted that he check himself into the West Los Angeles (LA) VA Center for treatment. Unfortunately, on Janu-

ary 25th, 2007, he came addicted and, yet, they treated him by giving him additional drugs including methadone. And the next day, he overdosed. And perhaps that was not a suicide, but it was an overdose due to excessive medication.

Justin's parents have testified in front of the Senate. They have not testified here, although they would be willing to. But they made 2 points. One is the cavalier attitude, that they felt they were treated in a very cavalier manner when they went to the West LA VA facility. They were handed his belongings in a trash bag and it was a very unfortunate situation.

But I am more concerned now. Because of Mr. Bailey's testimony in front of the Senate, the VA developed, which I think is a very good thing, the Domiciliary Residential Rehab Treatment Program model. And \$4 million has been appropriated for this and it is supposed to be a model for 32 other programs throughout the United States.

But the program would provide additional staff, evaluation, placement of patients, integration, coordination of services, medical management, as well as security to keep an eye on these people that are having these problems.

But I am kind of concerned about a few things. One is oversight. Who is going to be monitoring this program to make sure that it is actually working before we move it to the other 32? Are there going to be periodic reviews? Are there audits? Is the current leadership qualified to oversee this model program? And what can we do to make sure that other families do not suffer the way the Baileys have?

There is something else and I will not mention his name. I will tell it to you later. Last month, they went to West LA VA Hospital, met with the Chief of Staff there to discuss this issue and how they were going to implement the model program, felt that the gentleman they spoke to, the Chief of Staff, was completely unprepared for the meeting that they had traveled to LA for, and did not seem to know anything about the Bailey case and about the model program. And they were very concerned about that because they have traveled to Washington a number of times and felt that they wasted a trip to LA, that he was not prepared to meet with them.

There was another problem, and I know that this is not directly with the VA because we have got DoD issues and VA issues, but I had another young Nevadan from Pahrump. His family just buried him a couple of weeks ago. But he told the Army he was having some serious mental problems. He did not want to go back. He was on leave. He told his grandmother who he was living with he did not want to go back. The Army treated him with Prozac. He went back and he blew his brains out.

And I am concerned that we are seeing more and more of this situation and what are we going to be doing. If they get out of the military in once piece, what are we going to do in the VA to be dealing with these issues? I mean, these young men and women are coming home seriously emotionally crippled.

Secretary NICHOLSON. Well, thank you, Congresswoman. Let me address your question about the status. I sort of anticipated you might ask me. So I actually have that here, but I can read it. But

maybe I will hand it to you and we can have someone come and see if you want it in more detail.

The Bailey case, I am familiar with that case. In fact, I went on a visit to the West LA Hospital and discussed that with personnel on the ground there. That is why I am surprised that the Chief of Staff did not know because he did know about it.

We sent the Inspector General there. We sent the Chief Medical Inspector out there to look at that. I mean, it looks like it was an unfortunate case. There are some parts about it that I cannot say that is in the record, his medical record, so I cannot divulge. But my point of view is it was a very unfortunate, sad case.

I might ask Dr. Kussman to respond to some of your specific questions. But like any VA program, this model program that we are now setting up needs to be managed. It needs to be watched, monitored. It needs oversight which I welcome continually because these are human beings often very separated from the flagpole out there expected to do their jobs and most of them do.

But we have established performance standards. We hold them to those standards. They are reviewed. Those are the ways we try to get good results which we generally do.

But, Mike, if you have anything to add.

Ms. BERKLEY. Mr. Secretary, let me just correct something that I said. He knew about the Bailey case. It is just they did not feel that he was prepared to sit down and speak with them when they met with him. It just seemed that he was not—this was their interpretation—he really was not connected to what they were talking about. And I think they were expecting more concrete answers from him and more information regarding the program. And he did not seem to have it at his fingertips.

Dr. KUSSMAN. Let me just add to what the Secretary said. Obviously it is a very sad case. I cannot talk about the specifics as you are well aware of.

I was aware of the seemingly callousness of the way that the family was treated. And for that right up front, we personally and professionally apologize for that. That was unacceptable, and tried to get that message back to the family. I was not aware of the recent event that you just described and we will certainly look at that.

What we have tried to do so often when things do not go well is to learn from that and put together a plan. I have asked for a top to bottom look at our domiciliaries and our substance abuse programs. We are working on that. We want to test some of the programs. The people at West LA led some of it, so I am puzzled that the Chief of Staff would not have more concrete specifics, but I promise you we will look into that.

Ms. BERKLEY. Let me just conclude. I am sorry, Mr. Chairman.

Is there a way that we can do or are we working toward a seamless—we have people with PTSD. They are coming home. Is there a seamless transition? Are we moving toward a seamless transition between DoD and VA when it comes to identifying combat veterans that are coming home with PTSD problems? How do we identify this early enough that we can catch it and provide counseling and help before—I have another.

The third case I did not tell you about came home, was living with his father. They knew he had problems. He blew his father's brains out and then he killed himself. That left the family devastated.

Dr. KUSSMAN. In many instances, it is not so much a seamless transition because a lot of times, particularly the National Guard and Reserve, when they leave they do not know they have it. They have not really surfaced because frequently it takes weeks to months after they are back home for the gremlins to start to act because when you come back, people are generally euphoric about the fact that they survived.

And so we have put together a very aggressive outreach program. We screen all the people who come in to us for PTSD, traumatic brain injury, military sexual assault, and substance abuse whether they verbalize any of these symptoms or not, regardless of what they came for. And people are not going to come for PTSD frequently because they do not want to admit they have a problem.

What we are trying to do is educate our staff for all the symptoms that people have. We have educated over 50,000 people of what to look for for TBI, PTSD, try to make it comfortable and convenient for people to come in a nonthreatening manner to make sure they feel that the symptoms they are having are not—they are not crazy, if you will. These are in many instances normal responses to abnormal situations. A lot of times, they do not need a heck of a lot of support to get over that.

The suicide issue that you raised is clearly an important thing. With the Secretary's leadership, we have suicide coordinators in all our facilities. We put in place a policy where anybody who calls us and raises an issue about mental health, they need an evaluation within 24 hours to make sure that we are not missing somebody who is dangerous to themselves or somebody else and then within 2 weeks, getting a full evaluation.

So we are very sensitive to all the issues that you have raised.

Ms. BERKLEY. Thank you.

The CHAIRMAN. Thank you again. Mr. Secretary, any last words?

Secretary NICHOLSON. No. Thank you again, Mr. Chairman, and to all the Members of the Committee. It has been a real pleasure and an honor to work with you for our veterans. I mean that most sincerely. Thank you.

The CHAIRMAN. Thank you.

I come from a Navy town, San Diego, and they always wish people, "fair winds and following seas." I do not know what they do in the Army. So we wish you that, for you and Suzanne. And we again thank you for your service to our Nation.

Secretary NICHOLSON. Thank you.

The CHAIRMAN. And I just want to applaud one more time.

[Applause.]

[Whereupon, at 1:35 p.m., the Committee was adjourned.]

## A P P E N D I X

---

### **Prepared Statement of Hon. Bob Filner Chairman, Full Committee on Veterans' Affairs**

I would like to thank the Members of the Committee, Secretary Nicholson, and all those in the audience, for being here today. The VA is the second largest agency in the Federal government, and one of the most essential. For the way in which we treat our veterans has a direct impact on our ability to recruit men and women in the future, and is a reflection of the values and ideals we hold as a nation.

The VA, with more than 245,000 employees, oversees the largest integrated healthcare system in the country and a vast array of benefits programs meant to compensate, however inadequately, the service and sacrifice of our 25 million veterans. And every day, driven by the pressure of new conflicts, the VA is asked to do more and more.

Robert Kennedy, in his famous "Day of Affirmation Speech" in South Africa, stated that "there is a Chinese curse which says 'may he live in interesting times.'" Secretary Nicholson's tenure at the VA may indeed be fairly characterized as an "interesting time."

The VA has faced a \$2 billion budget shortfall, a growing claims backlog, and a data breach involving 26.5 million veterans and active duty personnel, as well as an incident earlier this year in Birmingham, Alabama. The VA has made strides toward meeting its goal of being the "gold standard" in IT security, but much work remains to be done.

The VA is facing the issue of caring for our returning servicemembers, and the veterans of previous conflicts. The VA must rise to the challenge of meeting the needs of these veterans, especially in the areas of TBI care and PTSD treatment, maintaining its excellence in specialized services, and addressing access to care issues. These are challenges that we have worked on together, and that you will leave to your successor, but challenges we must meet as a nation.

The VA healthcare system has also been lauded during the Secretary's tenure, for the excellence of its care, its innovative electronic medical records system, and its response to emergencies and disasters. Indeed, the VA healthcare system is often used as a model.

Mr. Secretary, today, we hope to hear your views on your time at the VA, the challenges that face us in the future, and any guidance you can give us. We would like to hear how we can improve healthcare and benefits for our veterans, while fully addressing quality, access, and timeliness issues.

We would like to hear the progress the VA has made in working more closely with the Department of Defense in addressing the recommendations made in the wake of the Walter Reed scandal. And we hope to hear about the transition plans the Department has in place to make sure leadership is provided at the highest levels for our veterans.

We, on this Committee, wish to thank you Mr. Secretary, as well as the employees of the VA, for the devotion to veterans that you all demonstrate day after day. On a personal note, I also wish to take a moment to thank you.

Over the course of this year we put aside our past differences and have worked closely together to help veterans. And at the end of the day, regardless of our differences, that is what we are all here to do.

---

### **Prepared Statement of Hon. Harry E. Mitchell, a Representative in Congress from the State of Arizona**

Thank you Mr. Chairman.

As you know, Congress has a duty to provide oversight. For this oversight to be effective, however, Congress needs the cooperation of the Administration.

Only when we work together, can we ensure that our Nation's veterans receive the kind of quality medical care they deserve, and all the other benefits to which they are entitled.

And clearly we have a lot of work to do.

Veterans are experiencing long wait times for service and follow-up care.

Last week the Department of Veterans Affairs Inspector General announced that the VA had understated the wait times our Nation's veterans were experiencing for healthcare services. According to the IG, 27 percent of the cases it reviewed were veterans with serious service-related disabilities.

I have requested that this Committee pursue further action on this report, but in the interim, I hope that, the VA will examine the IG's report, and begin to fix this problem.

More broadly, when we see long wait times, I think it is only fair to ask if we are providing adequate resources to serve our veterans.

Secretary Nicholson has heard us ask this question many times, and I have no doubt that his successor will hear it many times as well.

In the mean time, I look forward to hearing from the Secretary today about the challenges he believes we face in the months and years ahead.

I want to thank him for appearing before us today, and for his service to our Nation's vets.

I yield back.

---

**Prepared Statement of Hon. Jeff Miller,  
a Representative in Congress from the State of Florida**

Thank you Mr. Chairman.

Secretary Nicholson, I want to thank you for your service to this country and our Nation's veterans.

You are truly a man of the highest integrity and moral standards. Undoubtedly, over the past 2½ years, the Department of Veterans Affairs (VA) has faced a number of challenges, but you have never failed to put the interests of our veterans first. Because of your valuable leadership, we have been able to work together to make significant improvements in the delivery of benefits and healthcare services for our men and women who have worn the uniform.

Unfortunately, one of the areas we still have not been able to remedy is providing for inpatient services in Florida's panhandle to serve the over 106,000 veterans who live there. According to VA figures there are more veterans in Florida's 1st Congressional District than the entire state of Rhode Island, which has its own Medical Center. Yet, veterans in my district must travel 2 to 3 hours to receive inpatient care in Biloxi, Mississippi.

There is a tremendous opportunity to collaborate with the Department of Defense (DoD) for inpatient medical services on the campus of Eglin Air Force Base that would benefit both veterans and active duty servicemembers. The collaboration would expand VA/DoD sharing in a cost-effective manner and provide long overdue inpatient care to veterans in the region.

Mr. Secretary, as your tenure at VA ends, I hope that you will commit to your successor the importance of pursuing enhanced VA/DoD sharing to provide needed inpatient services in Northwest Florida and throughout the rest of the nation.

Mr. Secretary, I am grateful for your service and am eager to receive your input for a path for the future of VA.

Thank you Mr. Chairman, I yield back the balance of my time.

---

**Prepared Statement of Hon. R. James Nicholson, Secretary  
U.S. Department of Veterans Affairs**

Mr. Chairman and Members of the Committee:

I want to thank you for holding this hearing and giving me the opportunity to discuss the current state of the VA.

It has been a real honor to serve the President and our Nation's veterans as the Secretary of Veterans Affairs these past 32 months.

My own military service and tradition go back a long way.

I graduated from the United States Military Academy and served 8 years on active duty as an airborne, Ranger, infantry officer, to include a tour of duty in Vietnam. I then continued my service as a member of the Army Reserve, retiring with the rank of Colonel. My father was an enlisted man in the Navy during World War



II. My father-in-law served in both World War II and Korea. My brother, Brigadier General Jack Nicholson, served 30 years in the Army. My son is a veteran, and 4 of my nephews are Colonels in the Army and Air Force.

I have a particular affinity for the young men and women currently serving in the Global War on Terror. They are my heroes.

Mr. Chairman, you and I returned from a trip to Iraq and Afghanistan only a couple of weeks ago. We had an opportunity to see the conditions under which these young men and women must operate. We had an opportunity to speak with the troops as well as to their leaders. What we both saw was the most impressive group of Americans—a group of heroes that makes all of us proud.

They know their mission and their jobs. They are motivated. They are all volunteers. They are young, bright, and speak eloquently of their patriotism and of how they see the importance of their own roles in the war we are fighting today.

That trip—and others I have taken to the region, one with Ranking Member Steve Buyer—renewed my own commitment to assure that, should any harm come to those fine young men and women, we at the VA would do everything in our power to meet their needs and those of their families. We can do no less. They have earned that.

Mr. Chairman, today I would like to give you my current assessment of the VA, review our initiatives and accomplishments, and discuss remaining challenges. My emphasis will be on the transformations we have achieved, especially with respect to Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF).

My assessment that VA is, quite possibly, the best healthcare system in the world, is borne out by a number of reports in the popular press. Most recently, a book, *Best Care Anywhere: Why VA Healthcare is Better than Yours*, by Phillip Longman, a Senior Fellow at the New America Foundation, addresses how the VA system of healthcare progressed to its present model of excellence repeatedly demonstrating the highest quality care in America.

The VA is an immense institution. Not only does it provide healthcare to enrolled veterans, but the Veterans Benefits Administration (VBA) administers a number of monetary benefits, to include various educational benefits, home loan guaranties, a number of life insurance programs and a vocational rehabilitation and employment program.

VBA also administers the veterans' pension system and the disability compensation system. Approximately 800,000 claims for disability benefits are filed each year. Claims for disability compensation, more than half of which are reopened claims seeking an increase in percentage of disability, present complex issues of service connection, effective date and degree of disability.

For the veteran or his family unfamiliar with the legal and regulatory structure that defines this benefits system, navigating it can be a challenge. To assist them VBA operates an extensive public contact and outreach system. During 2006 alone, VBA public contact staff handled nearly 7 million phone calls from veterans and their families with questions concerning benefits, and we conducted more than a million interviews.

Over the last 4 years, VBA military services coordinators conducted more than 28,000 briefings attended by more than a million active duty and reserve personnel and their family members. Additionally, through the Benefits Delivery at Discharge Program, servicemembers at 140 military bases in the United States, Germany and Korea are assisted in filing for disability benefits prior to separation.

#### **Advisory Committee on OEF/OIF Veterans**

In April of this year, I created a new Advisory Committee on OEF/OIF veterans and their families to advise me on ways to respond to their unique needs and to improve programs serving those veterans, their families and their caregivers.

The Committee is composed of such veterans, their survivors and their families, all of whom have unique insight into just how VA is responding to their needs. We have learned that, in many instances, we were not as sensitive to those needs as we could have been—and we have tried to adjust, while at the same time caring for veterans of different wars and different eras. The Committee will continue its work in the months and years ahead, will monitor how VA is doing, and, when we can do better, will point that out to VA leadership.

#### **OEF/OIF Priority**

My heart has gone out to servicemembers or veterans who seem to have slipped through the cracks after their injuries. This hasn't happened often, but one anecdote about such an occurrence is one too many. It is tragic when a servicemember or veteran has been injured and disabled and is unable to obtain the monetary benefits

he or she is entitled to and, more significantly, needs them to support themselves or their families.

Because of the unique and immediate needs of this particular group of veterans, I directed the Veterans Benefits Administration to give priority to OEF/OIF veterans who may apply for disability compensation or a veteran's pension. These claims are now being processed on an expedited basis.

#### **TBI, PTSD, Vet Centers**

The Improvised Explosive Device, or IED, is the signature weapon of the war as it is being fought in Iraq and Afghanistan. Regrettably, it has given rise to what has been referred to as the signature injuries of this war, Traumatic Brain Injury, or TBI, and Post Traumatic Stress Disorder, or PTSD.

I have directed that each of our veterans of the Global War on Terror who comes to VA for any kind of care be carefully screened for brain damage or PTSD. TBI can be particularly insidious and could go untreated without this screening.

Post traumatic stress disorder is different from TBI, although the 2 can coexist. In addition, adjustment reactions also seen in our returning heroes has been described as a normal reaction to an abnormal situation—which is combat.

The stress of the type of warfare our servicemembers are experiencing, coupled with the fact that they are redeploying with their units multiple times, can sometimes give rise to one or more mental health diagnoses such as PTSD, substance abuse, depression, or anxiety.

When caught and treated early, the veteran may return to a lifestyle that is mentally healthy. Helping each of our patients to get better is what VA should be doing, and this applies to mental illness as well as physical injury.

#### **VET Center Program**

One venue for providing support for veterans with readjustment issues is our VET Center program. Across the country, there are 221 VET Centers with 11 new Vet Centers planned for opening in fiscal year 2008, each staffed with professionals who provide no-hassle counseling to veterans and their families.

VA has recently hired 100 new Outreach Coordinators to provide services to returning OEF/OIF veterans. These Outreach Coordinators are OEF/OIF veterans themselves. They understand that group of veterans and can relate directly to them. These new coordinators are located in VET Centers throughout the country, especially near our military processing stations.

Some 750,000 servicemembers from the Global War on Terror (GWOT) have now separated from active duty. To date over 250,000 have sought healthcare through the VA, something they are entitled to for 2 years after separation from the service, irrespective of whether they have been injured or incurred an illness while on active duty.

Of course, if they have sustained any service-connected injury or illness, the VA will treat them indefinitely. These young men and women join the 7.6 million (2nd Quarter, 2007) already enrolled for their healthcare in the VA healthcare system.

#### **Health Initiatives**

I was stunned to learn when I arrived at VA that some 25% of the veterans we care for suffer from adult-onset Type II diabetes. That is a disease often associated with obesity. Diabetes is a disease that can lead to complications which, in time, can result in blindness, renal failure or amputations.

Because of the seriousness of a diabetes diagnosis, I commenced a major campaign to reduce the high rate of obesity and diabetes in veterans. Essential to this is eating more healthy meals and exercise and, since launching that initiative, every veteran participating has been given a pedometer and encouraged to walk 10,000 paces each day. Should they do so, I know we will see a much healthier, fitter veteran in and around our various facilities.

A major health issue in the United States is the increasing incidence of Methicillin Resistant Staph Aureus (MRSA). VA's Pittsburgh VAMC introduced an initiative to reduce MRSA. They found that by isolating patients who were carrying the bacteria as well as by scrupulously washing and sanitizing your hands, MRSA was virtually eliminated.

The Pittsburgh program was originally intended as a pilot which, if successful, would be rolled out slowly across the country. Because of its success, I launched a national effort in the Veterans Health Administration to eradicate staph infections in all VA hospitals. VA has served as a model for the country with this initiative.

There is a shortage of nurses within healthcare in America. VA feels this throughout the VHA system where recruitment and retention of nurses is a tremendous challenge. In an effort to ameliorate this situation, VA recently created a new multi-

campus Nursing Academy through partnership with the nursing schools throughout the country.

It is my hope that, having done a substantial portion of their training at VA healthcare facilities, these nurses will see VA as a desirable employer, affording competitive pay and benefits and boasting a noble mission of caring for America's veterans, and that they will remain with VA as a career.

### **Paradigm Shift**

Over the years, there has been a radical change in the way healthcare is delivered. At one time, individuals who were ill went to a hospital and, more often than not, they stayed there for many days. That is no longer the case. Today the best medicine involves getting you into—and out of—a hospital as quickly as possible.

Many procedures which once required hospitalization are today done on an outpatient basis. VA now has nearly 900 outpatient clinics (including community-based outpatient clinics, or CBOCs, hospital-based outpatient clinics and outreach clinics.) During my tenure, I approved 82 new CBOCs to bring VA's top-notch care closer to veterans who have earned it through service to their country.

### **Electronic Medical Records**

Among the things that make this system of healthcare so effective is the Veterans Health Information System of Technology Architecture (VistA), the nationally recognized Electronic Medical Record, so widely utilized throughout the VA.

An enrolled veteran can be treated at any one of the points of access to our system and all of his or her relevant health information will be available to the treating healthcare team. This capacity was particularly valuable during Hurricanes Rita and Katrina when, because of the flooding along the southeast Gulf Coast, it was necessary for us to evacuate 2,830 patients to 9 VA and 2 Department of Defense (DoD) Federal Coordinating Centers.

Approximately 150 veteran patients alone were evacuated from the New Orleans VAMC. Because of VA's electronic health records, all relevant information about those veterans was available to the receiving VA hospital. Harvard University has twice recognized VA for its electronic health record with its award for innovation in healthcare.

Let it also be noted here that many of the healthcare providers evacuated with their patients, even though they themselves lost everything in the flooding that occurred after the levees gave way. I was truly moved by their heroic commitment to their veteran patients.

### **Research**

I recognize VA's prominent role in medical research. I created a Blue-Ribbon Genomic Research Advisory Committee to earn the trust of veterans and the community as we develop our program to advance the science of personalized medicine. This will enhance our ability to prevent disease before it emerges and enable us to design treatments to restore health and function for our veterans.

VA investigators led the way in developing the cardiac pacemaker, pioneered concepts that led to the development of the CAT scan, improved artificial limbs and helped develop a vaccine for shingles. VA investigators are distinguished among the best in their field with 6 Lasker Award winners and 3 Nobel Laureates, including: Dr. Ferid Murad for his contribution to understanding the role of nitric oxide in the body, including regulation of blood pressure; Dr. Andrew Schally for his discoveries concerning peptide hormone production in the brain; and Dr. Rosalyn Yalow for her work with radioisotopes, leading to the development of modern diagnostic assays.

### **Mental Health Initiatives**

Of late, DoD has released alarming statistics about the number of servicemembers who have committed suicide this past year. According to a recently released Associated Press article, last year the largest number of suicides of active duty Army servicemembers occurred in the 26 years that that statistic has been maintained.

Because of suicides among the veterans for whom we care, I directed the hiring of suicide prevention counselors at each of VA's 153 hospitals. This was intended to strengthen one of the nation's largest mental health programs. I also directed the establishment of an around-the-clock, national suicide prevention hotline.

The hotline became operational in July of this year and received its first call on July 25. Since that time and through September 1, as a result of calls to the suicide prevention hotline, 346 callers were referred to a VA suicide prevention coordinator, 194 warm transfers were made to community hotlines, and there were 56 rescues.

### **Reform Initiatives**

Following the disclosure of substandard conditions for the medical hold detachment outpatients at Walter Reed Army Medical Center, the President appointed me to lead the Cabinet level Task Force on Returning Global War on Terror (GWOT) Heroes to improve the delivery of Federal services and benefits to GWOT servicemembers and veterans.

The charge to the Inter-Departmental Task Force composed of my colleagues from DoD, Health and Human Services, Department of Labor, Housing and Urban Development, Education, Small Business Administration, Office of Personnel Management, and the Social Security Administration was to review existing authorities and provide recommendations as to how these servicemembers can be better served. We did that and, after 45 days of deliberation, submitted a list of 25 recommendations to the President. We are monitoring those, keeping track of their implementation and reporting to the President on a regular basis.

### **IT Transformation**

The structure of a large agency such as VA must, of necessity, be adjusted over time to ensure that the institution can be responsive to its mission under ever-changing circumstances. Significantly, the VA Information Technology structure, long decentralized, needed to be updated and regularized so as to be consistent with the IT world in which we live. In 2006, VA launched a major information technology transformation and consolidation.

Significantly, this will govern the way VA uses and safeguards veterans' personal and health information. With identity theft being among the fastest growing crimes in the country today, this consolidation and the resulting heightened security of personal identifying information will make the VA the "gold standard" in the realm of information privacy and security.

### **Laptop Loss**

In May 2006, a VA employee took a laptop and an external hard drive home with him. The employee was doing an analysis of significant amounts of data relating to veterans. The data was on the hard drive in unencrypted form. The computer and hard drive were stolen, exposing some 26 million veterans to the possibility of identity theft. Later the computer and hard drive were found and FBI forensic experts determined that the data had not been accessed.

This situation highlighted the need for VA to better protect data relating to our veterans. Since that time, the security regimen at VA has been totally revised. IT has been reorganized and centralized under the control of a single Assistant Secretary. I believe that this reorganization, and the modification and strengthening of our regulations governing IT, its use, and its security will minimize the risk of a significant data loss in the future.

### **Emergency Support Mission**

In addition to the traditional VA missions relating to healthcare and benefits, VA has a "Fourth Mission" to provide support to the country in the event of national disaster. (Authority for this is through the Robert T. Stafford Disaster Relief and Emergency Assistance Act and implementation is through the National Medical Disaster Plan.)

In order to better do this, VA created a new Office of Operations, Security, and Preparedness to deal with emergency planning and security. That office is charged with planning for Continuity of Government and Continuity of Operations scenarios and participates in government-wide exercises throughout the year.

### **Acquisition and Construction**

VA has also sought to create an additional Assistant Secretary position for Acquisition and Construction. Each year, VA spends billions of dollars for products and services. Each year there are additional new VA medical centers put into the planning process through the authorization and appropriations process.

With VA's physical plant being, on average, 57 years old, plus the demographic shifts in the veteran population, it is essential that VA do all it can to update and modernize its facilities. The cost of purchasing land, design, and construction of a new VA hospital is in the range of \$750 million. The magnitude of these numbers and the complexity of the acquisition process indicate that there must be the very highest levels of supervision and accountability.

### **National Cemetery Administration**

Of course, in addition to healthcare and monetary benefits, VA's National Cemetery Administration (NCA) provides memorial benefits for our veterans. In FY 2006, NCA provided more than 330,000 headstones or markers for graves of veterans

worldwide. And NCA currently maintains more than 2.8 million gravesites at 125 national cemeteries in 39 States and Puerto Rico. NCA is currently in the midst of the largest expansion of the national cemeteries since the Civil War.

The shrine-like setting of our National cemeteries serves as a perpetual reminder of the sacrifice of our service men and women.

#### **VA Employees**

There are so many things that I am proud of relating to my tenure as Secretary. I am most proud of the people I have had the honor to work with who are so invested in the mission of the VA—to provide care to a group of people who have earned the right to it through service to their country. Abraham Lincoln said it most eloquently in his Second Inaugural Address: “To care for him who shall have borne the battle, and for his widow and his orphan.” VA has proudly done that for more than 75 years now, and is in good shape to do so, especially for the newest veterans of the Global War on Terror, in the years ahead.

#### **Challenges**

I have outlined some of the positive experiences of my tenure. Yet, as each of you know, the past few years have not been without their challenges and frustrations. Among those are the following:

#### **Claims Backlog**

The claims backlog is an issue that has bedeviled me and many that have come before me. In fact, VA can influence the output (claims decided) of its work product, but it cannot control the input (claims filed).

And, in the midst of a war, more claims for service connected disabilities are being filed. In addition, veterans of previous conflicts have been filing claims at a higher number as they are reminded of incidents from their own military backgrounds by news reports from Iraq and Afghanistan.

From FY 2000 to FY 2006, receipts of disability compensation and pension claims rose from nearly 578,000 to more than 800,000—an increase of more than 39%. We expect to receive 835,000 disability compensation and pension claims this current fiscal year.

To control the output, VBA is hiring additional staff. Since January of this year, we have already added 1,100 new staff members to help us in our commitment to reducing the claims backlog. VBA is also working to consolidate suitable components of its work—as has been recommended by a number of Government Accountability Office reports—to achieve efficiencies, more consistent claims decisions, and better control over work processes and product.

#### **Mental Healthcare Delivery**

As noted earlier, I have directed that every veteran of the Global War on Terror be screened for Traumatic Brain Injury and PTSD, no matter what they are being treated for. VA is the largest provider of mental healthcare in the country. We employ 9,000 mental health professionals including psychiatrists, psychologists, social workers and clinical nurse specialists at all of our facilities. VA is the world’s expert on the treatment of PTSD, which is manifesting itself among some of our returning servicemembers.

VA’s mental health strategic plan is generally considered to be superb. Unfortunately, because VA was forced to operate under a continuing resolution for much of last year, it was not able to expend funds consistent with that plan. In addition, there are areas of the country where certain specialty healthcare providers simply can’t be hired, no matter what you would pay them.

Nonetheless, we have expanded mental health services in CBOCs either with on-site staffing or by telemental health, thus providing care closer to the homes of veterans in rural areas. We also have enhanced both PTSD and substance abuse specialty care services, and programs that recognize the common co-occurrence of these problems.

We are fostering the integration of mental health and primary care by funding evidence-based programs at more than 80 sites, with more in the planning stages, as well as through the aforementioned placement of mental health staff in CBOCs. In addition, we are extending this principle to the care of home-bound veterans by funding mental health positions in Home-Based Primary Care.

This program has traditionally served older veterans, but current needs show that it also will serve some seriously wounded OEF/OIF veterans. It can allow veterans to live at home with their families as an alternative to institutional long-term care when injuries are profound and sustained rehabilitation and other care is needed. The mental health professionals who will work with these teams also can support the family caregivers, who provide heroic care for injured veterans.

VA will be working to emphasize recovery and rehabilitation in specialty mental health services by funding additional psychosocial rehabilitation programs, expanding residential rehabilitation services, increasing the number of beds and the degree of coordination in homeless programs, extending Mental Health Intensive Case Management, and funding a recovery coordinator in each medical center.

**Bonus Issue**

Some months ago it was noted that, like every other government agency, VA had paid bonuses to its Senior Executives. The bonuses were paid from a pool of funds created in accordance with statute and OPM regulations. And the bonuses were determined by panels of Senior Executives acting in accord with OPM guidelines.

The highest SES salary is about \$165,000. A few bonuses in the amount of \$30,000 were paid in recognition of the accomplishments of highly competent, long serving executives. Some criticized that one of those executives had been involved in the preparation of the FY 2005 budget which had fallen short and another holds a senior position in VBA, the administration that continues to struggle with backlogs.

I personally have worked with both of these individuals and have the highest regard for their ability and their prodigious work ethic. I believe that the criticism leveled at each of them is unwarranted in that they encountered conditions beyond their control and used their considerable skills to minimize the problems they encountered.

**Closing**

Mr. Chairman, once again let me thank you for allowing me to appear before the Committee to discuss the current state of the Department of Veterans Affairs and many of the positive things that occurred during my tenure as Secretary.

To be sure there have been disappointments, but working with you, Ranking Member Buyer and other Members of the Committee, I believe we have made tremendous progress. Together, we have made VA a stronger, more focused organization—focused on the very real needs of all of our veterans, especially those currently engaged as warriors in the Global War on Terror. It has been my great pleasure to serve them, as well as all veterans who served before them.

---

**Statement of Hon. Corrine Brown,  
a Representative in Congress from the State of Florida**

Thank you for holding this hearing today, Mr. Chairman.

Thank you also, Secretary Nicholson, for your service to this country and to our veterans.

When I heard of your resignation, I was disappointed because I felt that you finally were getting the hang of this job and were starting to do good work.

I think we can agree that the young men and women serving in Iraq, Afghanistan, and around the world are the heroes fulfilling the mission we here in Washington have given them.

I recently had a chance to go to Normandy and visit the cemetery and battlefields there. A very awe-inspiring sight. There is a new visitors center that was just finished. It explains the entire battle and the heroism of those who served in horrible conditions.

The organization that oversees all foreign American battlefields is The American Battle Monuments Commission. It is a small independent agency in the executive branch of the United States federal government. Funded by the President, in his budget.

If the President can see that it is worth including in the budget full funding to honor those who paid the ultimate sacrifice for our freedom, why can he not include full funding for those veterans who are here and bear the scars of those same wars.

When it comes to increased spending on the priorities of these veterans, his knee-jerk reaction is to threaten a veto. After he heard these veterans loud and clear, he rescinded his threat to veto, but continues to urge less funding the bill.

The cost of war includes the veterans who return.

---

**Statement of Hon. Ginny Brown-Waite,  
a Representative in Congress from the State of Florida**

Thank you Mr. Chairman,  
Secretary Nicholson, I want to thank you for testifying before this Committee today. During your tenure as Secretary, the Department of Veterans Affairs has seen its share of controversy and successes. While I am eager to hear your assessment of your time at the VA, I want to take this opportunity to thank you for your service to our country.

Under your leadership, the Department of Veterans Affairs has seen great improvements in the way we treat our veterans returning home from the battlefield. Today, the VA has in place programs that help guide veterans through the maze of benefits and regulations they are confronted with when they are discharged. There is also more emphasis placed on veterans who suffer from post-traumatic stress disorder. The effects of this disorder should not be underestimated, and I am encouraged at the steps that are being taken to improve the way we treat the men and women suffering with this disorder.

Once again, I welcome you to the hearing and look forward to hearing your thoughts on the issues before us today.

---

**POST HEARING QUESTIONS AND RESPONSES FOR THE RECORD**

Committee on Veterans' Affairs  
Washington, DC  
*October 10, 2007*

Honorable Gordon Mansfield  
Acting Secretary  
U.S. Department of Veterans Affairs  
810 Vermont Ave., NW  
Washington, DC 20420

Dear Secretary Mansfield:

In reference to our Full Committee hearing "The State of the Department of Veterans Affairs" on September 18, 2007, I would appreciate it if you could answer the enclosed hearing questions by the close of business on November 21, 2007.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for materials for all Full Committee and subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively and single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Debbie Smith by fax at 202-225-2034. If you have any questions, please call 202-225-9756.

Sincerely,

BOB FILNER  
Chairman

---

**Questions for the Record  
The Honorable Corrine Brown  
House Committee on Veterans' Affairs**

In your written testimony, you spoke of the importance and effectiveness of the VA's initiative for electronic medical records, and its usefulness during national emergencies, such as Hurricane Katrina.

**Question:** Later, you mentioned one instance of data loss, and say that the security regimen has been revised. We are all aware of other data losses by the VA. What have you done to stop this data loss from continuing?

**Response:** The Department of Veterans Affairs (VA) has been proactive in putting measures in place that mitigate the risk of loss of sensitive VA data. In 2006, VA established the Data Security— Assessment and Strengthening of Controls Program, an overarching plan to correct deficiencies and eliminate vulnerabilities in information security. This program combined with the Chief Information Officer's (CIO) new authority, control over the information technology (IT) budget, and realignment of VA's IT organizational structure, creates the centralized environment

that provides the CIO with the command and control necessary to direct remediation of vulnerabilities and rectify longstanding problems in the information security area. This will provide for more consistent and effective management and remediation of IT security deficiencies.

In 2007, VA established the Office of IT Oversight and Compliance, which consolidates existing IT security inspection/compliance program activities into one office to assist the CIO in the enforcement of IT security controls.

VA has also issued numerous Department-wide IT memorandums, directives, policies, and procedures addressing high-risk areas involving the use of sensitive information. These will help ensure the protection of VA IT assets by establishing and/or strengthening controls associated with access to and accountability for VA information systems. For example, in September 2007, VA 6500 Handbook (Information Security Program) was issued which defines the requirements for the secure use of information inside and outside the Department. In addition, VA has issued procedures for the reporting and handling of computer security incidents which improve the Department's capability to quickly and effectively respond to these incidents. VA has also developed a plan to reduce the use of Social Security numbers within the Department and has published an interim regulation in response to the Veterans Benefits Healthcare and Information Technology Act of 2006, otherwise known as Public Law 109-461. VA designed and implemented an ongoing One-VA privacy policy framework that prescribes privacy practices and activities, facilitates compliance, and provides risk mitigation and appropriate information management. In response to the Birmingham data incident, VA developed a checklist for research information security and a handbook which places more stringent requirements on the use and storage of VA research data that are used by VA research facilities.

To ensure that all users not only understand their obligations and responsibilities for protecting VA sensitive information but also the penalties for non-compliance, VA has updated and improved its Cyber Security and Privacy Awareness training modules and requires all employees to sign a statement of commitment and understanding regarding their responsibilities for protecting VA sensitive information. VA also developed Web-based training on laptop security controls to mitigate the risks of compromise of VA data via mobile computing devices.

In the technical arena, VA has deployed Rights Management Services (RMS) software to handle e-mail encryption as well as file and document encryption for data at rest. RMS will better safeguard sensitive data within VA, not only through the use of encryption but by controlling what authorized recipients can do with this data. To strengthen the controls over data stored on mobile computing devices, VA has encrypted over 18,000 laptops.

VA's plans to strengthen controls over the transmission, processing, and/or storage of its data in fiscal 2008 include deploying tape encryption throughout the Department, completing the roll-out of part security and host integration software to secure large data sets, installing Public Key Infrastructure (PKI) encryption for all medical care staff, developing plans to have PKI implemented for medical care contractors, and formulating a strategy for integration of evolving technology and other best practices into the Department's encryption management program.

---

**Questions for the Record**  
**The Honorable Stephanie Herseth Sandlin, Chairwoman**  
**Subcommittee on Economic Opportunity**  
**House Committee on Veterans' Affairs**

**Question:** Please provide me with an update regarding the Department of Veterans Affairs review of the risk of depleted uranium (DU) exposure to U.S. soldiers. Does the VA continue to assess potential DU exposure to servicemembers, identify and inform those servicemembers of the possibility of exposure to DU?

**Response:** About 2000 veterans and active-duty servicemembers have been tested for depleted uranium (DU) by the Department of Veterans Affairs (VA) program at the Baltimore VA Medical Center. Based on the VA clinical surveillance program, it appears that veterans with retained depleted uranium (DU) fragments are at greatest risk for significant DU exposure,

VA continues to offer DU screening to all eligible veterans concerned about possible DU exposure in service. Screening has been provided both to veterans identified by the Department of Defense as potentially exposed to DU as well as those that self-identify. The screening includes a questionnaire and 24-hour urine test for DU. Few veterans appear to have been exposed to significant levels of DU unless they were wounded with DU munitions and metal fragments.



Veterans at highest risk for DU exposure continue to be offered long-term clinical surveillance by the VA DU program at the Baltimore VA Medical Center.

---

**Questions for the Record**  
**The Honorable Joe Donnelly**  
**House Committee on Veterans' Affairs**

*The Veterans Benefits Administration continues to struggle to make progress on the backlog in claims, reduce wait times and prepare for what likely will be an increasing number of new claims as well as more claims for multiple and complex disabilities in the future. As you know, the idea of granting veterans' disability claims on the basis of a presumption of service connectedness and then auditing a percentage, as proposed by Harvard professor Linda Bilmes earlier this year, seems to me and several Members of this Committee as a proposal worth pursuing. Certainly, such a system would have to be carefully structured and prevent and discourage inaccurate or fraudulent filings. I know there are many legitimate concerns with such an approach as it involves a major paradigm shift in how the VA serves America's veterans.*

*You have mentioned to me privately, and also spoken of publicly, your support for exploring this concept. I would appreciate your response to the questions below.*

**Question 1:** Would you support a shift away from the current claims process to approving veterans' disability claims based on a presumption of service connectedness?

**Response:** The underlying concern expressed by you, Professor Bilmes, and others is the length of time needed to determine entitlement to benefits. The Department of Veterans Affairs (VA) strongly supports simplification and streamlining of the claims process to make it less burdensome and quicker for veterans and survivors. It is true that I have advocated doing a test to determine the feasibility of an assumption of validity with a random audit to follow, like the Internal Revenue Service refund model.

However, as I have discovered and as you point out, there are legitimate concerns with an approach such as this which was suggested to me by Professor Bilmes. Our concerns are not principally focused on "inaccurate or fraudulent filings." Our experience is that, while many claims or parts of claims cannot be granted, we have not found that these claims themselves were knowingly fraudulent or inaccurate. We are confident that whether ultimately determined entitled or not, virtually all claimants file applications for benefits either because they honestly believe they are entitled or they want to find out if they are entitled. Shifting to a "pay for application" process will, in our view, expose the system to precisely the kind of fraud and abuse you mention, but we have not thus far experienced. But that is not our only concern.

We believe that adopting the suggested approach will have serious unintended consequences. The first of those is that this approach may not shorten the process at all if the system is overwhelmed by a dramatic increase in claim volume due to the relaxed standard. Currently some of the time it takes to decide a claim is queue time because of the volume of claims we are now receiving. We appreciate the additional resources the Congress is providing us. This will enable us to significantly reduce delays due solely to claim volume.

We believe the entitlement cost of such a system is incalculable. Currently, VA grants a minority of conditions claimed. The proposed system would "grant and audit." We interpret this to mean that all claimed conditions will be granted. Further we interpret "audit" to mean that not all awarded claims would be reviewed and validated. It is not clear to us how we would assign any disability evaluation other than the maximum scheduler evaluation permitted for each disability if we were to award benefits based solely on the application without evidence.

As important as the unwarranted increase in benefit expenditures, such an approach will place unprecedented demands on VA healthcare services since all veterans will be awarded compensation for their claimed conditions, be eligible for enrollment, and in most cases be in the highest eligibility categories.

Additionally, we believe there may be a misunderstanding of the component parts of the claims process cycle time. Because the VA compensation system is one that compensates at multiple disability evaluation levels, significant development is needed. Thus, there is significant time built into the system waiting for evidence. Further, a substantial number of veterans do not apply for benefits until years (in many cases, many years) after discharge. Because the Armed Services provide separation examinations for only a small number of service persons separated, the impact is further aggravated.

Finally, the audit process is almost certain to result in significant veteran dissatisfaction. We believe that in the vast majority of cases audited, it will be necessary to sever service connection for at least one, if not many, conditions. Audited cases where service connection is maintained will also be placed in the perverse position, due to being audited, or having their disabilities properly evaluated, while those not audited retain their initial evaluations. To be fair to all, VA would have to audit all awards. If that were done, the caseload would dramatically increase because every case would be worked twice, once to initially award and the second time when the deferred development and assessment are actually accomplished.

**Question 2:** To what extent would such a change be applied? Would you only apply the presumption process to new claims of recent veterans, or for new claims by all veterans?

**Response:** We now do not believe it would be possible to limit the process to a subset of applicants.

**Question 3:** If Congress or the Administration were to structure such a system, how might we reduce or discourage the potential for fraudulent claims, or even claims that are filed in good faith but may not truly be service-connected?

**Response:** From our perspective, efforts to discourage fraudulent claims and claims that are unlikely to be granted would be of limited effectiveness. The best way to avoid awarding benefits in error is to perform a comprehensive review of the evidence used to establish entitlement prior to granting the benefit. Although it may take a little longer to grant benefits, it ensures the integrity of the veterans' disability program by compensating only those who are entitled.

**Question 4:** In your opinion, how might such a proposal address awarding a benefit for multiple disabilities filed at once or concurrently?

**Response:** As indicated earlier, without taking the time to obtain needed information to properly evaluate the disabilities as to their origin and their level of impairment, we can not see how benefits could be granted at any level other than the maximum allowable compensation rate for each disability claimed. Given that many veterans file claims using imprecise descriptions for the conditions claimed, it would also be difficult to determine which diagnostic code to assign to a condition.

Your question also raises an important issue, in that very seriously disabled veterans may be entitled to compensation above the 100 percent level based on special monthly compensation (SMC). We do not believe we could determine entitlement to SMC without a thorough examination.

**Question 5:** If a complete transition to a presumption process is not feasible at this time, would you support a more limited approach, for example, granting all OIF and OEF veterans' disability claims immediately upon filing; or granting all OIF and OEF servicemembers who are discharged by the Department of Defense for a disability a temporary disability rating—i.e. 30 percent—upon the date of separation from service until the VBA determines the claim otherwise?

**Response:** This was akin to what I was explaining with Office of Management and Budget and my senior staff. I understand that VA and Department of Defense (DoD) have begun a pilot of a joint DoD/VA Disability Evaluation System (DES). The pilot began November 26, 2007, in the national capital region. In this pilot, claims are being taken early in the DES process, and wounded, ill, and injured servicemembers are examined for both their potentially unfitting conditions and other conditions they believe to be incurred in or aggravated by service according to VA protocols. DoD determines whether the member is fit or unfit. If found unfit, VA prepares the rating for all unfitting and claimed conditions. DoD accepts the evaluation assigned by VA for the unfitting condition(s) for purposes of determining whether the member is entitled to severance pay or retired pay. VA awards compensation immediately at the time of discharge.

In summary, we reiterate our commitment to working with Congress to improve service delivery to America's disabled veterans through process simplification, workforce restructuring, the application of technology where appropriate, strengthened data exchange with the military services, maintaining adequate resources, and other efforts.

Committee on Veterans' Affairs  
Washington, DC  
October 5, 2007

Honorable Gordon Mansfield  
Acting Secretary  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Dear Mr. Secretary:

In reference to our Committee hearing of September 18, 2007, I would appreciate your response to the enclosed additional questions for the record by close of business Monday, November 5, 2007.

It would be appreciated if you could provide your answers consecutively on letter size paper, single spaced. Please restate the question in its entirety before providing the answer.

If you have any questions in this regard, please contact Kingston Smith at (202) 225-3527. Thank you for your cooperation in this matter.

Sincerely,

Steve Buyer  
Ranking Republican Member

SB:dwc

---

**Questions for the Record**  
**The Honorable Gus M. Bilirakis, House Veterans' Affairs Committee**  
**September 18, 2007**  
**State of VA**

First Mr. Secretary, I just wanted to thank you for your service to our Nation's veterans.

**Bay Pines Incident:** Recently, there was a tragic incident at the Bay Pines VA Medical Center which is located near my congressional district. A VA employee, who was not a veteran, suffered a heart attack while at work on the VA grounds. Rather than take the employee to the medical center's emergency room, the local paramedics took the employee to a more distant hospital where the employee was pronounced dead. At the time of the incident, there was confusion on whether or not the employee could be treated at the VA facility's emergency room because he was not a veteran.

**Question 1:** Mr. Secretary, does the VA have an established policy of treating non-veterans in emergency situations?

**Response:** Under the authority of Title 38 USC 1784 which was made effective in January 2002, "The Secretary may furnish hospital care or medical services as a humanitarian service in emergency cases, but the Secretary shall charge for such care and services at rates prescribed by the Secretary."

**Question 2:** If yes, has that policy been clearly disseminated to all VA medical facilities?

**Response:** The policy outlined above under Title 38 USC 1784 has been clearly and repeatedly communicated throughout the Department of Veterans Affairs.

**Question 3:** What steps has the Department taken to make sure that a similar incident will not be repeated at other VA medical facilities?

**Response:** VA feels very saddened by the circumstances on the Bay Pines VA Campus where a long time, dedicated employee passed away.

The analysis of this incident has identified 3 areas where improvements can be made.

1. Cardiopulmonary arrests can occur anywhere and not necessarily involve high risk patients.
2. Public access to defibrillators and staff training in basic life support is crucial.
3. Communication mechanisms for notification of cardiac arrest as well as prospective engagement with local emergency medical services (EMS) systems must be refined.

VA is in the process of addressing all of these findings. Prior to this incident and in 2007, VA had published the "Inter-Facility Transfer Policy" Directive (2007-15)

which specifically states that VA will comply with the Emergency Medical Treatment and Active Labor Act (EMT ALA) regulations published by Health and Human Services. These regulations require that healthcare facilities stabilize all patients (regardless of their eligibility or ability to pay for care) prior to transferring to them another facility.

Currently, VA is in the process of developing 2 more directives to help clarify policies in an effort to ensure that such a situation does not recur at any other VA facility.

The first Directive, *Delivery of Emergency Care in the Veterans Health Administration*, ensures that all VA facilities with emergency departments will accept any unstable patient for emergency care regardless of eligibility, if they are on VA grounds or if the VA facility is the closest facility for a patient being transported by emergency medical service (EMS) with a life threatening emergency. This policy also consolidates the components of all emergency related guidance into a single, succinct policy.

The second Directive: *Public Access Automated External Defibrillators (AED's): Deployment, Training and Policies for use in VA Facilities* ensures every VA facility has a plan and the resources in place to rapidly initiate the appropriate emergency response to a life threatening emergency.

Collectively, these policies deal with the appropriate logistics, staff training, and the deployment and maintenance of the necessary equipment to effectively manage a cardiac arrest patient on a VA campus. In addition, they also address the need to prospectively engage the local EMS providers to ensure suitable care at all times.

