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LEGISLATIVE BULLETIN

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Budget Update

The President's budget for Fiscal Year (FY) 2014 was submitted to Congress on April 10, more than two months late, and comes after lengthy budget deficit and debt ceiling stalemates at the end of last year. Overall the President's budget increases federal spending by about 2.5 percent; however it would increase spending for the Department of Veterans Affairs (VA) by 10.2 percent to a total of \$152.7 billion in FY 2014. This increase is being proposed even as many other federal departments are facing decreases in their budgets for next year.

Discretionary spending – primarily veterans health care – would see a 4.3 percent increase in the Administration's FY 2014 budget; however, FY 2015 advance appropriations for veterans medical care would receive only a 1.9 percent increase, less than projected private sector medical inflation. DAV is concerned with the trajectory of medical care funding in recent years when so many servicemembers and combat veterans are returning home from war in need of VA services. We will continue to press Congress to ensure that the VA health care system has sufficient funding to provide high quality care to veterans in a timely manner.

DAV is greatly concerned about the budget proposal for construction and infrastructure maintenance. For FY 2014, the budget proposes only \$342 million for major construction projects, which would support just one project in Washington State. VA's Strategic Capital Investment Planning (SCIP) process estimates that between \$21 billion and \$25 billion must be invested over the next ten years to maintain VA's existing infrastructure, which would require between \$2.1 billion and \$2.5 billion per year. However, funding requests for major construction projects have fallen from \$1.5 billion in FY 2008 to \$1.1 billion in FY 2011 to just \$342 million proposed for FY 2014, significantly below what is needed. Since VA's ability to deliver health care services depends on maintaining an adequate and safe infrastructure, these shortfalls in construction funding are a serious deficiency that Congress must correct.

The Administration proposes to spend nearly \$7 billion of its FY 2014 health care budget on mental health services, a 15.4 percent increase above the FY 2012 level and a 57 percent increase since FY 2009. Given the number of returning veterans who are challenged by readjustment problems and more serious issues involving their mental health, this funding is absolutely essential and we are fully supportive of this spending.

The Administration's healthcare budget request for Long-Term Services and Supports (formerly Long-Term Care) is an 11 percent increase from FY 2013 to meet the increasing numbers of aging and disabled veterans. To allow more severely disabled veterans to remain in their community rather than a nursing home, this request continues to support through FY 2014 VA's policy to increase home and community based services; however, the funding request FY 2015 appears to reverse VA's policy increasing use of home and community based services and proposes a total increase of 5 percent for Long-Term Services and Supports.

The Administration is requesting \$2.5 billion for the Veterans Benefits Administration (VBA), a 13.6 percent increase from the FY 2013 enacted level. This funding increase will assist VBA in their efforts to address the unacceptable backlog of claims for veterans benefits by converting paper claims files to digital e-files. DAV continues to work closely with VBA as they implement the final phases of their claims transformation initiatives this year.

DAV opposes the budget proposal to change how the cost-of-living adjustment (COLA) for Social Security is determined through the use of a new methodology called the "chained CPI", which would have the effect of lowering future COLAs in order to reduce the federal budget deficit. Since the Social Security COLA is used to determine adjustments to rates for VA disability compensation, and for dependency and indemnity compensation, it would also seriously reduce future veterans benefit increases. While COLAs for VA benefit payments would not be affected this year by the proposal, DAV will not support this concept and we will work vigorously to defeat it in Congress. We will never support deficit reduction made on the backs of service-disabled veterans, their families and survivors of veterans who died from service-connected disabilities.

Significant Legislative Proposals in the President's Budget

VA is proposing to increase its ability to bill private insurers for care provided for nonservice-connected conditions by being considered a "participating provider" for purposes of reimbursements.

VA is proposing authority to pay for certain veterans' care (room, board and caregiver services) in VA-approved Medical Foster Homes (MFHs). VA payment for MFH would be exclusively for veterans who would otherwise need nursing home care, while assisted living by most definitions and in most states routinely excludes individuals who would otherwise need the nursing home level of care. This proposal is limited in scope and is intended to cover only VA-approved MFH caregivers serving three veterans or fewer per home.

VA is proposing an amendment to its emergency-care reimbursement policy by eliminating the 24-month requirement for veterans who have recently enrolled in the VA health care system but have not received care or services under chapter 17 due to waiting times associated with their initial appointment at a VA medical facility.

VA is proposing to extend its authority to round-down to the next lower whole dollar cost-of-living adjustment (COLA) increases for service-connected disability compensation

and dependency and indemnity compensation (DIC) for an additional five years through 2018. DAV has and will continue to oppose all rounding-down of veterans benefits.

VA is proposing to require claimants to use specific paper and electronic applications along with approved web portals for all types of claims in order to support VBA's transformational efforts in moving to a paperless environment. DAV would not support this legislation unless it includes provisions to appropriately protect the rights of veterans who submit claims or other information to VA on non-standard forms.

VA is proposing to allow the Board to determine the most expeditious type of hearing to afford an appellant (i.e., an in-person hearing or a video conference hearing), restricting the appellant to the hearing selected by the Board unless good cause or special circumstances are shown to warrant another type of hearing. While DAV understands the advantages of video hearings for most veterans, we would oppose legislation that does not allow veterans to have the right to choose the type of Board hearing they prefer in their circumstances.

VA is proposing to establish and fund a "Veterans Job Corps," which would work with other federal agencies to place veterans in federal positions that leverage skills developed in military service for use in civilian jobs. Funding to support this new Job Corps would require a \$1 billion increase in VA's mandatory funding over a 5-year period.

Independent Budget for Fiscal Year 2014

DAV, AMVETS, Paralyzed Veterans of America, and Veterans of Foreign Wars jointly released the *Independent Budget* on February 5, 2013. In summary, the IB recommends \$68.4 billion in discretionary funding for FY 2014, \$4.6 billion above the FY 2013 funding level, and about \$2 billion more than what the Administration proposes. For FY 2015 advance appropriations for VA medical care, the IB recommends \$61.6 billion, which is \$2.8 billion higher than what the Administration proposes. For more information on funding and policy recommendations by the four IB co-sponsors, go to www.independentbudget.org.

Capitol Hill Activities of the Legislative Staff

Since my last bulletin, my professional staff and I have participated in a series of "roundtable" discussions and similar private meetings with senior Members of Congress on a range of subjects, including resolution of VA's claims backlog; improvements needed in VA health care; women veterans' health care; VA prosthetic services; medical construction and leasing needs; VA research programs; and, numerous other topics of broad interest to our DAV membership, and wounded, ill, and injured veterans in general. In these sessions, we provided Members of Congress and their staffs our positions and recommendations for legislation as well as areas for them to conduct oversight of VA programs.

Pending Legislation

H.R. 369, the Reducing Barriers to Veterans' Benefits Act, was introduced January 23, 2013. This bill would establish a presumption of service connection for certain veterans with tinnitus or hearing loss. DAV Resolution 158.

H.R. 562, the VRAP Extension Act of 2013, introduced February 6, 2013, would provide for a three-month extension of the Veterans Retraining Assistance Program administered by the Secretary of Veterans Affairs. DAV Resolution 001.

H.R. 813, the Putting Veterans Funding First Act of 2013, introduced February 25, 2013, would provide for advance appropriations for certain VA discretionary accounts. DAV Resolution 216.

H.R. 921/S. 422, the Chiropractic Care Available to All Veterans Act, introduced March 8, 2013, would require the provision of chiropractic care and services to all veterans at all VA medical centers and to expand access to such care and services. DAV Resolution 217.

H.R. 958, the Women Veterans and Other Health Care Improvement Act of 2013, introduced March 14, 2013, would improve the reproductive assistance provided by the VA to severely wounded, ill, or injured veterans and their spouses. DAV Resolution 213.

Hearings

On February 26, 2013, DAV National Commander Larry Polzin testified before a joint session of the House and Senate Veterans' Affairs Committees to present DAV's legislative agenda for the year.

On March 13, 2013, DAV testified before the Senate Veterans' Affairs Committee concerning VBA's claims processing transformation efforts.

On March 20, 2013, DAV submitted testimony for the record of the Senate Veterans' Affairs Committee concerning the mental health needs of veterans.

On April 11, 2013, DAV testified on behalf of the Independent Budget, before the House Veterans' Affairs Committee.

On April 15, 2013, DAV submitted testimony for the record on behalf of the Independent Budget to the Senate Veterans' Affairs Committee.

On April 16, 2013, DAV testified before the House Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs concerning eight pieces of pending legislation.

All DAV testimony can be read in full on our website, at:
<http://www.dav.org/voters/Testimony.aspx>.

DAV 2013 Mid-Winter Conference

The DAV Mid-Winter Conference held February 24-27, 2013, at the Crystal Gateway Marriott in Arlington, Virginia, was once again a great success, with historic attendance by our members and their families. A variety of seminars were held during the Conference to educate DAV members about our vital mission and issues important to all of us. DAV National Commander Larry Polzin delivered our legislative program to a standing room-only

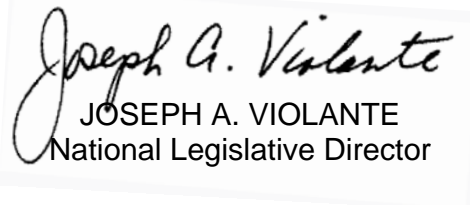
joint session of the House and Senate Veterans' Affairs Committees, on Tuesday, February 26, 2013 in the Cannon Conference Room in the House of Representatives. We owe our thanks to those of you who participated and contributed to the success of this important event.

Conclusion

To ensure enactment of the legislation we support, our DAV and Auxiliary members must become active members of DAV's grassroots Commander's Action Network (DAV CAN). All of us must do our part to let our elected officials know about our support for legislation that helps empower, wounded, ill and injured veterans to lead high-quality lives with respect and dignity. Early in 2013 DAV expanded the DAV CAN to include all of our members who have provided DAV their email addresses in the past. In stimulating this activity, we hope to dramatically increase participation in the DAV CAN by grassroots members to help support DAV's case to Congress on issues important to DAV and to you.

Please make a pledge to redouble your efforts to communicate our issues to your elected officials through the DAV CAN and in your own personal efforts at home. Your efforts and actions are a key to our success as an organization of advocacy. To join DAV CAN now, go to: <http://www.dav.org/voters/JoinCAN.aspx>.

Thank you for again for your continuing support for DAV's programs of service to America's wounded, injured and ill heroes.



JOSEPH A. VIOLANTE
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