



National Service & Legislative Headquarters
807 Maine Avenue, S.W.
Washington, D.C. 20024-2410
Phone (202) 554-3501
Fax (202) 554-3581
www.dav.org

***STATEMENT OF
MOSES A. MCINTOSH, JR.
DAV NATIONAL COMMANDER
BEFORE THE
COMMITTEES ON VETERANS' AFFAIRS
U.S. SENATE AND U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
FEBRUARY 23, 2016***

Messrs. Chairmen and Members of the Committees on Veterans' Affairs:

It is indeed an honor and a privilege to appear before you today along with the membership and leadership of DAV – Disabled American Veterans – to present the legislative and policy recommendations of DAV for the coming year, and to report to you our accomplishments as an organization over the past year for injured and ill veterans.

I am Moses A. McIntosh, Jr., a service-connected disabled veteran of Operations Desert Shield and Storm. I served in both the U.S. Air Force and the U.S. Army.

I am a native of Meridian, Georgia and I enlisted in the Air Force in 1977 after graduating from high school. I completed an inter-service transfer to the U.S. Army in 1989, attending warrant officer training as well as Army aviation flight training, qualifying to pilot UH-1 and UH-60 assault helicopters. I served until my medical retirement in 1997 at the rank of Chief Warrant Officer, having logged more than 2,800 flight hours, including flying 25 combat missions. I served in the Persian Gulf with the U.S. Army 7th Corps, 1st Armored Division, Task Force Phoenix, as a UH-60 assault helicopter pilot.

I earned a Master of Science degree in human resource management from Troy State University in Alabama in 1997, a Bachelor of Science degree from the University of Maryland in 1994 and a Bachelor of General Studies from Louisiana Tech University of Ruston, Louisiana.

My wife Marjorie and I reside in Hephzibah, Georgia, where we manage a family business, and we have been blessed with two daughters, Misher and Paige.

Mr. Chairman, my personal story is a prime example of what DAV does for those who are changed as a result of military service. I was medically retired for injuries suffered while on active duty. Soon after my discharge, I met a life member of DAV who told me about what DAV had to offer. I can genuinely attest that DAV transforms lives. It transformed mine and the lives of many others in this room.

I have been a DAV member since my military retirement, and I am a life member of DAV Newton-Rockdale Chapter 55 in Covington, Georgia. I have served in many positions in

the organization, including Chairman of the Department of Georgia Finance Committee, National Convention Chairman, as well as appointments to the National Interim Membership Committee and National 9th District Executive Committee. I was elected DAV National 4th Jr. Vice Commander in 2011, and was elected National Commander at DAV's 2015 National Convention in Denver, Colorado.

Messrs. Chairmen, before engaging in the substance of my report to you about DAV's work and our mission, I want to make a personal statement about my thoughts on being National Commander and my guiding principles for this year.

DAV members are servant leaders in our individual communities because we know we owe our gratitude as a free nation to the dedication and sacrifice of the men and women who, when our nation called, said "send me." This includes an unwavering persistence to ensure that Congress remembers its obligation to injured veterans and their families.

DAV is a unique organization. In DAV, the focus is on disabled veterans and their families. Behind wartime disabled veterans are spouses, children, parents and siblings who also serve and sacrifice. When a veteran is wounded, that injury affects everyone around him or her. It is a life-changing moment in far too many cases. The same pertains to a serious illness that cuts a military career short. If you have doubts about that statement, I invite you to ask any veteran in this room how his or her service-incurred disability affected his or her family life, or outlook, prospects or future plans. You would spend the remainder of this day and probably several more days hearing these stories – compelling stories of loss, sacrifice and challenge, but also stories of dedication, support and love.

During my tenure as Commander, I intend to intensify and expand DAV's commitment to families of those changed in service to our country. These individuals not only share their love and their lives with their injured loved ones, but in fact what they do as family caregivers and companions saves the federal government vast sums of money. Without these family members, many injured and sick wartime veterans would need to be cared for in federally funded institutions, at a large additional cost to the government. This is but only one reason DAV supports legislation to extend comprehensive family caregiver services and supports to the caregiver of any severely injured or ill service-connected veteran. It isn't just for the cost-savings, but it's also the humane thing to do and in the best interests of the veteran and his or her family. This is one of our highest priorities for Congress this year.

Another goal is to embrace and solidify the concept of "belonging"— to promote and institutionalize for DAV members and others who contribute to DAV a reinforced sense of belonging.

DAV, because of its dedication to our focused mission and our unique family culture, creates a place where disabled veterans can belong. Injured and ill veterans and their families need to belong to something where they can continue to serve, and DAV is that special place for them. As I will detail later in this testimony, through our programs of service, volunteerism, charitable projects, disaster relief and numerous other efforts, we give our members and DAV supporters a special place to belong, to give and to receive. Tens of thousands of our volunteers

help millions of veterans every year in so many ways, both inside VA and in their own homes and neighborhoods. They give of themselves freely, but they also receive a reward in knowing their support for others is being repaid. I am proud to state and have borne witness to the fact that DAV makes a difference in people's lives, for both those who served and for those who still serve.

VA HEALTH CARE REFORM

When it comes to our nation keeping its promises to those who have served, perhaps none is as important as the promise to care for injuries and illnesses suffered by service members. Over the past two years we have seen dramatic events unfold in relation to the VA health care system, with the waiting list scandals and access crisis. As Congress, the media and ultimately VA discovered, thousands of veterans had been waiting too long to access the VA health care system to receive medical services they had earned. In response, Congress rushed to pass the Veterans Access Choice and Accountability Act (VACAA) to create a new procedure to provide non-VA community-based health care access to veterans on an emergency and temporary basis, and appropriated \$10 billion in emergency funding for the new "choice" program. The law also provided \$5 billion for VA to rebuild its internal capacity to deliver care, primarily by expanding usable treatment space and hiring more physicians and nurses. In addition, Congress required an Independent Assessment of the VA health care system and established a Commission on Care to develop recommendations for VA in providing quality, accessible health care to veterans over the next 20 years.

The Commission is working to develop recommendations and is expected to deliver a final report to the President in June of this year. As this temporary choice program nears the end of its authorization in 2017, Congress will need to decide what comes next for veterans health care. DAV and many of our VSO colleagues have also been working to develop reform ideas that would preserve the strengths of the existing VA system while taking full advantage of the private sector to create a more seamless system of care for veterans. However, in order to design a better system for the future, it is important to understand the past that led us to the access problems of today.

Just over a dozen years ago, VA faced an even more serious crisis over access to VA health care, as hundreds of thousands of veterans – peaking at 310,000 in July 2002 – were found to be waiting six months or longer to receive initial medical appointments. In May 2003, a presidential task force (PTF), co-chaired by Dr. Gail Wilensky and the late former Congressman John Paul Hammerschmidt, formed to study how to "Improve Health Care Delivery for Our Nation's Veterans," the Task Force reported: *"As of January 2003, at least 236,000 veterans were on a waiting list of six months or more for a first appointment or an initial follow-up – a clear indication of lack of sufficient capacity or, at a minimum, a lack of adequate resources to provide required care."* The PTF concluded that there was a *"mismatch in VA between demand for access and available funding..."*

Now consider what we know about the recent VA access crisis, in which tens of thousands of veterans were found to be waiting for care in 2014. As I previously mentioned, Congress authorized an independent assessment to examine the reasons for VA's latest access

crisis and to offer recommendations for improvement. The resulting report issued by MITRE Corp., Rand Corp. and others last September, a dozen years after the PTF report, showed remarkably similar findings.

The report's first finding was that there was a *"disconnect in the alignment of demand, resources and authorities"* for VA health care. The Independent Assessment's first recommendation was the need to *"address the misalignment of demand with available resources both overall and locally."* In terms of access to care, they found that, *"increases in both resources and the productivity of resources will be necessary to meet increases in demand for health care over the next five years"* with a core recommendation of "increasing physician hiring" The report also identified the key barriers that limited provider productivity, including *"a shortage of examination rooms and poor configuration of space"* and *"insufficient clinical and administrative support staff,"* all of which would require additional funding for the VA health care system.

Furthermore, the assessment found that the *"capital requirement for VHA to maintain facilities and meet projected growth needs over the next decade is two to three times higher than anticipated funding levels, and the gap between capital need and resources could continue to widen."* It estimated this gap at between \$26 and \$36 billion over the next decade, although the report suggested several significant management strategies that could potentially reduce the projected gap to between \$7 and \$22 billion.

The findings of this assessment are fully consistent with the earlier PTF's conclusions, and confirm what DAV and our *Independent Budget (IB)* partners (VFW and PVA) have reported for more than a decade: the resources provided to VA health care have been inadequate to meet the mission of care for veterans. In fact, we have repeatedly testified to Congress about this mismatch and misalignment of resources and demand. For example, when the access crisis was breaking in 2014, we testified before the Senate Veterans' Affairs Committee and documented more than \$15 billion in underfunding that had occurred over the prior decade, totals that were later validated by both VA and the independent assessment.

To be clear, we do not believe that simply increasing funding by itself – without making some significant reforms in VA – will lead to better health outcomes for veterans over the next 20 years. However, no VA reform plan has any chance of success unless sufficient resources are consistently provided to meet the true need and demand for services, when and where they need them.

Messrs. Chairman, another critical but often overlooked finding is that the independent assessment's analysis of VA's quality confirmed what we, other veterans organizations and most studies have been finding: as veterans gain access to VA care, the quality is high. Specifically, the Independent Assessment found that:

"In new analyses comparing VHA's quality with non-VA providers, VHA performed the same or significantly better on average than the non-VA provider organizations on 12 of 14 effectiveness measures (providing recommended care) in the inpatient setting, and worse on two measures. On average, VHA performed significantly better on 16

outpatient Healthcare Effectiveness Data and Information Set[®] (HEDIS) measures of effectiveness compared with commercial health maintenance organizations (HMOs); on the 15 outpatient HEDIS measures of effectiveness that were available for Medicaid HMOs; and on 14 of 16 outpatient effectiveness measures compared with Medicare HMOs."

Only when it came to "patient-centeredness" measures did VA not fare as well as the private sector. This is reflective of an issue we consistently hear from our members across the country about their frustration with a system that does not adequately involve them in decisions that will affect the design and delivery of their care. We believe that implementation of the MyVA initiative will go a long way toward improving patient-centeredness, the veteran's experience and satisfaction with VA health care. The best path forward for a 21st century veterans health care system must build upon the strengths of the VA, including its unparalleled expertise treating the unique conditions of injured veterans, while working to reform systemic problems hindering the delivery of timely care.

For the past year, DAV has been working together with other leading veterans organizations and experts, to develop a new direction for veterans health care reform. DAV's Operation: Keep the Promise for 2016 will be to reform and strengthen the VA health care system. We are doing all this from a perspective of veterans who use, volunteer and work in the VA health care system.

Messrs. Chairmen, as you are aware, DAV is a national organization with nearly 1.3 million members in 52 state-level departments with over 1,300 local chapters. We have nearly 4,000 service officers across the country assisting with more than 300,000 claims for benefits. We have DAV staff working in every regional office, and many health care facilities. Our professional health care experts visit VA medical facilities, both to observe and to receive their own health care. We employ over 200 hospital service coordinators managing DAV's voluntary services program, which has more than 11,000 volunteers in VA medical centers and clinics. Through DAV's national transportation network, we provide veterans hundreds of thousands of free rides to VA medical facilities each year.

All of our members, volunteers and employees rely heavily on VA for their health care. Through the massive information stream this activity generates, we are able to gain valuable insights about what is happening inside the VA health care system, at the ground level. Thus, when we speak, we speak for our members and on behalf of millions of veterans who choose and rely on VA.

Before laying out our framework for reform, DAV and our IB partners first agreed upon the national obligation to veterans and some core principles for a health care system veterans need and deserve. We affirm that our nation has a sacred obligation to make whole the men and women injured or made ill as a result of their military service to the United States. As President Lincoln famously said, *"to care for him who shall have borne the battle, and for his widow, and his orphan."* Though there is much the public and private sector can contribute to honor this sentiment, we strongly believe it is ultimately the responsibility of the federal government to ensure that veterans have proper access to the full array of benefits, services and supports promised to them by a grateful nation. After all, it is the federal government that puts our service

members into harm's way and it is therefore a federal obligation to care for them when they are injured or made ill by their service. This view was clearly echoed in our national Pulse Survey released in November, in which the vast majority of veterans (87%) responded that the federal government should provide a health care system dedicated to the needs of ill and injured veterans.

We believe that America's veterans have earned and deserve **high-quality, accessible, comprehensive** and **veteran-centric** health care designed to meet their unique circumstances and needs. Any future health care system that cannot meet all four of the standards would be providing veterans less than they deserve. As we have developed our plans, and as we evaluate other proposals, these are the critical standards by which all reforms must be measured. We must be careful to evaluate all proposals designed to address the current access problems to determine if they would result in a system that is less comprehensive, veteran-centric or lower quality than the VA is today, or could be in the future.

In fact, there have been a number of misleading or misguided ideas and proposals floated that, in our opinion, would either have no positive effect, or in some cases, could have devastating consequences for veterans. For example there have been calls to have VA only focus on operating specialized 'Centers of Excellence' or have VA exclusively treat combat or service-related injuries. Others have proposed that the money should follow veterans, in or out of VA. And some have gone so far as to propose turning the VA health care system into an insurance company or complete privatization. Some of these ideas may sound good on the surface, but an examination of the facts reveals that these ideas would actually have negative consequences for thousands and perhaps millions of veterans that choose and rely on the VA.

As the first stage of Operation: Keep the Promise 2016, DAV is going to carefully examine and analyze each of these proposals in order to set the record straight. For example, converting VA from a robust, comprehensive, full service health system into a smaller number of "centers of excellence" would result in the closing of hundreds of medical centers and outpatient clinics, result in fractured care instead of integrated care and ultimately force hundreds of thousands of disabled veterans who rely on VA to travel further and wait longer for their care.

Similarly, treating only combat or service-related injuries of veterans and forcing them into the private sector for primary care needs would fracture their care, leading to less coordinated, holistic and preventative care for millions of veterans, and therefore lowering the quality of the care they receive.

Allowing all veterans choice to receive care in or outside the VA system and having the funds follow veterans may sound appealing, but there has been little discussion of what that would mean for the veterans community at large or whether it is even financially feasible. According to a Congressional Budget Office cost estimate a couple years ago, such a plan could cost as much as \$50 billion more per year. It is highly unlikely that Congress would pay this cost *and* maintain a VA health care system for those who choose and rely on it, particularly disabled veterans. It also wrongfully assumes that private sector providers are able to immediately accept new patients and schedule appointments without lengthy wait times. In fact, the Independent Assessment rejected the idea that VA could purchase its way out of the access crisis, finding that, "*many Veterans without access to VA health care also face significant barriers to*

accessing purchased care, including distance and cultural barriers. Thus, the option to transform VA from a provider to a purchaser of health care would not necessarily have a significant positive impact on access."

The more-radical ideas that have been floated could be particularly harmful for veterans. Turning the VA health care system into an insurance company that no longer provides direct health care services to veterans would disregard all of the experience and expertise that VA doctors and researchers have amassed for treating the men and women who have served, particularly those injured or ill from wartime service. It would also require new government insurance regulations setting premiums, copayments, deductibles, lifetime limits and the actual medical services provided, thereby increasing the amount of bureaucratic red tape veterans would have to cut through in order to receive the care they have earned.

Finally, privatizing VA by creating a new government-chartered corporation, similar to Amtrak or the Post Office, would shift management of VA to an unaccountable, independent entity driven by corporate considerations, with no oversight by Congress or veterans themselves. These and many other bad ideas are often spoken about in very simplistic terms or packaged in sound bites and are not clearly defined. Some ideas driven by political calculations could have long-term devastating impacts on the health care of millions of veterans and therefore we can and must set the record straight to ensure people know what is being proposed.

Most importantly, Messrs. Chairmen, there is a better way to reform VA. We believe that the future for veterans health care must include both a robust VA health care system and an integrated private sector component that work synergistically for the benefit of the veterans it serves. While providing sufficient funding will be an absolute fundamental requirement to improving timely access, there are other equally important reforms needed to prepare VA to meet the needs of today's and tomorrow's veterans. DAV and our partners in the IB have developed a comprehensive framework for such reform that has four pillars:

- Restructure our nation's system for delivering health care to veterans, relying not just on a federal VA and a separate private sector, but instead creating local community networks that optimize the strengths of all health care resources to best meet veterans' needs;
- Redesign the systems and procedures by which veterans access their health care with the goal of expanding actual, high-quality, timely options; rather than just giving them hollow choices;
- Realign the provision and allocation of VA's resources so that they fully meet our national and sacred obligation to make whole those who have served; and
- Reform VA's culture to ensure that there is sufficient transparency and accountability to the veterans this system is intended to serve.

Messrs. Chairmen, we have presented this framework in prior testimony to your Committees and we are continuing to work with your staffs to seek out common ground. We are also pleased that VA's New Veterans Choice Plan that was sent to Congress is also similar in many regards. In addition to consolidating most non-VA community care programs, the new VA plan also seeks to create a network of both VA and community providers to provide veterans a seamless system of care in the future. In our framework, we also proposed creating local

Veteran-Centered Integrated Health Care Networks to seamlessly integrate community care into the VA system to provide a full continuum of care for veterans. VA would be the coordinator and principal provider of care, particularly its primary care model with integrated mental health services, which is more likely to prevent and treat conditions unique to or more prevalent among veterans, particularly those with traumatic brain injury, post-traumatic stress disorder, war-related disabilities or chronic health conditions.

VA has also proposed the establishment of an urgent care benefit for veterans. In our framework, we proposed that VA increase its capacity to deliver urgent care at existing VA medical facilities and develop additional capacity by establishing urgent care clinics around the country to create new treatment options between emergency and primary care.

A critical component of our framework recommends moving away from arbitrary access standards, such as VA's current 40-mile and 30-day criteria. For too many veterans, particularly those with severe disabilities and chronic conditions, 40 miles may be too far to travel and 30 days far too long to wait for urgent conditions.

Rather than a system that empowers bureaucrats, any future veterans health care system must ensure that access to care is a question for veterans and their doctors. Decisions about when and where veterans can receive medical treatment are clinical decisions that should be made between a veteran and his or her doctor, not legislators, regulators or bureaucrats. We note that VA is already moving in this direction based on the guidance provided with the newest choice regulations.

Overall, we are pleased that many of our recommendations have been incorporated into VA's new plan, however our framework goes farther, addressing such matters as infrastructure, planning and budgeting, all explained in greater depth in the IB Framework for Veterans Health Care Reform. However, we are confident that if VA's plan is enacted, with our recommendations and improvements, veterans will have more options to receive timely, high-quality care closer to home in the future.

Messrs. Chairmen, we know the House and Senate Veterans' Affairs Committees are focused on how to improve the delivery of care that veterans have earned and were promised. We look forward to working with you throughout this year to develop a comprehensive plan to reform the VA health care system in order to keep this critical promise to veterans who were injured or ill as a result of their military service.

DAV NATIONAL SERVICE PROGRAMS

Fulfilling our Promises

DAV's core mission is carried out through our National Service Program. To fulfill our mandate of service to America's injured and ill veterans and the families who care for them, DAV directly employs a corps of more than 270 National Service Officers (NSO), all of whom are wartime service-connected disabled veterans who successfully completed their training through VA's Vocational Rehabilitation and Employment (VR&E) Service. The military

experience and personal claims and treatment experiences of DAV NSOs through military and VA health care not only provide a significant knowledge base, but also help promote their passion for helping other veterans through the labyrinth of the VA system. DAV NSOs are situated in all VA regional offices as well as other VA facilities throughout the nation.

During 2015, DAV NSOs interviewed over 183,000 veterans and their families; filed over 195,000 new claims for benefits; and obtained more than \$4 billion in new and retroactive benefits for the injured and ill veterans we represented before the VA.

Our NSOs undergo a rigorous, initial 16-month on-the-job training program, as well as structured and continued training and education throughout their DAV careers. During the course of the on-the-job training program, trainees learn applicable laws and regulations pertaining to VA benefits and complete a series of academic courses which include anatomy and physiology, medical terminology, English composition, legal writing and public speaking. These dedicated NSOs, many of whom are veterans of the wars in Iraq and Afghanistan, sustain DAV's legacy of providing the best and most professional benefits counseling and claims assistance available anywhere. With the generous support of a grateful American public and public-spirited businesses, DAV is proud to provide these services, without cost, to any veteran, dependents, or survivors in need.

Our Chapter Service Officers, Department Service Officers, Transition Service Officers and National Service Officers have never wavered in their commitment to serve our nation's injured and ill veterans, their families and survivors, or any veteran for that matter. In all, DAV has 3,920 service officers, including County Veteran Service Officers accredited by DAV, all of whom are on the front lines, providing much needed claims services to our nation's veterans, their families and survivors. No one has more impact on our organization's ability to meet our primary mission. No one has more impact on our organization's stellar reputation. No one has more impact on empowering disabled veterans to become productive members of society again.

Appellate Representation of Denied Claims

In addition to our work at VA facilities, DAV employs 10 National Appeals Officers (NAO) whose duty is to represent veterans, their dependents and survivors in their appeals before the Board of Veterans' Appeals (BVA). In fiscal year (FY) 2015, DAV NAOs provided representation in 28.6 percent of all appeals decided by the BVA, a caseload of 15,634 appeals. Almost 48 percent of the cases represented by the DAV resulted in remands. These remands resulted in additional consideration or development for 7,526 claimants with cases that were not adequately developed and considered by the regional offices that initially decided them. In more than 30 percent of the cases, involving 4,782 appellants represented by DAV, the claimants' appeals were allowed and the denial of benefits was overturned. These numbers indicate that approximately 78 percent of the appeals represented by DAV resulted in original decisions being overturned or remanded to the regional office for additional development and re-adjudication.

Additionally, DAV works closely with private law firms that have agreed to provide *pro bono* services to veterans pursuing their appeals before the higher court. In 2015, these *pro bono* attorneys offered free representation before the United States Court of Appeals for Veterans

Claims in 2,026 denied appeals and provided representation in 1,660 of those cases. Since the inception of DAV's *pro bono* program, our attorney partners have made offers of free representation to more than 7,190 veterans and have provided free representation in over 6,550 cases.

This program would not have been possible without the coordinated efforts of DAV and two top-notch law firms – Finnegan, Henderson, Farabow, Garrett & Dunner, LLP of Washington, D.C., and Chisholm, Chisholm & Kilpatrick of Providence, Rhode Island.

Transition Services for New Veterans

Given the significant number of severely injured and ill service members under care at Walter Reed National Military Medical Center (WRNMMC) in Bethesda, Maryland, and in other military treatment facility locations, DAV continues to provide direct on-site assistance to injured active duty personnel. DAV's Transition Service Program is now in its 16th year. This program provides benefits counseling and assistance to separating service members seeking to file initial claims for benefits administered through the VA. DAV currently employs 33 Transition Service Officers (TSO) who also provide free assistance to those who need it. These TSOs provide services at military separation centers under the direct supervision of DAV NSO Supervisors. Our TSOs have been trained specifically to perform transition presentations, review military service treatment records and initiate claims activities at nearly 100 military installations within the continental United States.

DAV's transition program contributes to our goal of maintaining our preeminent position as a provider of professional services to veterans. In 2015, our TSOs conducted over 1,000 briefing presentations to groups of separating service members, with 33,561 total participants in those sessions. Our TSOs counseled 21,532 persons in individual interviews, reviewed the military service treatment records of 21,324 individuals and submitted benefits applications for 18,088 personnel to DAV NSOs for filing with the VA.

DAV continues to work within the guidelines of the DOD Transition GPS (Goals, Planning, Success) program which is a part of the Veterans Opportunity to Work (VOW) Act and Hiring Heroes Act. DAV remains committed to advocating for these service members to ensure that they are well aware of benefits that they have earned. It is through this program that DAV is able to advise service members of their benefits and ensure that they know about the free services that DAV is able to provide during all stages of their claims and appeal process.

DAV Mobile Service Office Program

DAV's fleet of 10 Mobile Service Offices (MSOs) puts DAV NSOs on the road to assist veterans where they live and increases accessibility to the earned benefits our nation provides to veterans. These specially equipped mobile offices visit communities across the country on an advertised and scheduled basis. This outreach effort generates a considerable amount of claims work from veterans who may not otherwise gain an opportunity to seek assistance at DAV National Service Offices.

In our second year of deploying the DAV MSOs to visit veteran students on campus, we conducted 105 site visits in 48 states and Puerto Rico at colleges and universities where some of your constituents are studying. Our NSOs interviewed a total of 825 student veterans and dependents, and helped them file 679 claims for benefits. In states represented by members of your Committees, some of the campuses we visited included the University of South Florida, Ohio State University, Western Nevada College, University of Montana, University of North Carolina, Metro State University, Kennesaw State University, Northwestern State University of Louisiana and Eastern Washington University.

DAV also uses its MSOs for outreach to veterans at other public events, including air shows, Native American reservation events, NASCAR races, military retiree conventions, the Vietnam Moving Wall appearances, homeless veterans “stand-downs,” community fairs and parades, Veterans Day and Memorial Day activities, veterans job fairs and information seminars of many types.

These specially equipped MSOs, along with our disaster relief teams, also deploy into areas devastated by disasters, enabling DAV to provide much-needed assistance directly to displaced service-disabled veterans and their families. Our NSOs were deployed at ground-zero following the attacks on the World Trade Center, to the Gulf Coast following hurricanes Katrina and Rita and most recently in Alaska, Illinois, South Carolina, Georgia, Nebraska, Kentucky, Alabama, Oklahoma, California, Pennsylvania, South Dakota, Texas and Kansas following fires, tornadoes and flooding. In 2015, these efforts resulted in a total distribution of roughly 390 supply kits and 394 payments totaling in excess of \$330,000 to service-injured or ill veterans and service members and their families in need of relief.

Supply kits – which include backpacks, blankets and hygiene kits – are provided for safety, comfort and self-sufficiency in an extended emergency, disaster or evacuation. The hygiene kit includes basic necessities like a toothbrush and toothpaste, razors and shaving cream, hand sanitizer, deodorant, shampoo and soap.

During 2015, our MSOs traveled 104,662 miles to 879 cities and towns. DAV NSOs interviewed 17,769 veterans and other potential claimants during these visits which resulted in 13,432 claims being filed through the VA.

When a DAV MSO comes to your state or district, I would encourage the Members of these Committees and your staffs to stop by to learn first-hand about the free services that DAV is providing to your constituents. I would also highly recommend that you refer any of your constituents who may need assistance with their VA claims to visit our MSOs when they are in your states and communities. The MSO schedule can be found on the DAV website, at <http://www.dav.org/wp-content/uploads/MSOCalendar.pdf>

DAV VOLUNTARY SERVICE PROGRAMS

Equally vital to the success of our mission to empower veterans to lead high-quality lives with respect and dignity are the activities of more than 12,000 DAV and DAV Auxiliary volunteers who selflessly donate their time to assist America’s injured and ill veterans. Our

Voluntary Services Programs ensure that sick and injured veterans are able to attend their medical appointments, and that they receive the comfort, companionship and care they need and have earned. Our volunteers are at their posts in VA medical centers and clinics but they also go outside the VA to visit and provide services to veterans within their communities, in some cases going beyond the current scope of the government in providing services. DAV is leading the way in voluntary services, which makes all of us proud to be a part of this organization.

From January through October 2015, these valuable volunteers of DAV and its Auxiliary served our nation by providing more than 1.7 million volunteer hours of essential services to hospitalized veterans in VA facilities and transporting veterans to their medical appointments; saving taxpayers nearly \$39.3 million in costs if federal employees had been required to provide similar services. Many DAV members volunteer at VA medical centers, clinics and community living centers and serve as Hospital Service Coordinators and drivers in DAV's nationwide Transportation Network, about which I will provide more detail further in this testimony. In addition, DAV and DAV Auxiliary chapters and units have donated items valued at more than \$4 million to their local VA facilities.

DAV Local Veterans Assistance Program

In an effort to meaningfully touch the lives of more veterans in need of assistance, DAV created the Local Veterans Assistance Program (LVAP). A variety of opportunities have always existed for individuals to assist veterans and their dependents—and DAV and our DAV Auxiliary volunteers have answered that call in full measure. We see examples of this each and every day aimed at meeting the principal objective of our organization—to fulfill our promises to the men and women who have served.

Our LVAP volunteers contribute time and energy for various activities that include, but are not limited to:

- Chapter and Department Service Officer work;
- Specific outreach efforts, such as DAV's air show outreach programs, the DAV 5K Run Walk and Roll, homeless stand downs and a volunteer presence at National Guard mobilizations and demobilizations; and
- Direct assistance to veterans, families and survivors, including engaging in home repairs, maintenance and grocery shopping, among many other supportive activities.

Since its inception in 2007, 7,127 volunteers have participated in DAV's LVAP for a total of over 2.7 million hours of voluntary service. DAV is constantly seeking new ways to recruit and engage DAV members and volunteers. We believe this program works to the advantage of all of those we serve.

DAV National Transportation Network

Messrs. Chairmen, DAV is extremely proud of the service provided by our volunteers, many of whom are injured or ill veterans themselves, or the family members of such veterans. These volunteers, some of whom are seated before you today in this hearing room, continue to

serve the needs of our veterans on a daily basis. Many of our nation's veterans are aided because of the time these volunteers donate. Everyone applauds the efforts of our volunteers.

DAV relies on 190 Hospital Service Coordinators at VA medical centers across the country to oversee our DAV Transportation Network. This program provides free transportation to and from VA health care facilities to veterans, who otherwise might not be able to obtain needed VA health care services.

From January through October 2015, DAV volunteers logged more than 21 million miles and transported over 611,000 veterans to VA health care facilities. Volunteer drivers spent over 1.6 million hours transporting veterans. Since our national transportation program began in 1987, more than 17.2 million veterans have been transported over 640 million miles.

In 2015, DAV donated 111 vehicles to VA facilities at a cost of over \$3.1 million. In 2016, we plan on donating an additional 111 vehicles at a cost of over \$3.2 million.

DAV's efforts were aided in 2015 by the support of the Ford Motor Company with the presentation of seven new vehicles to DAV for the Transportation Network. Since 1996, Ford has donated more than \$4.5 million towards the purchase of 199 vehicles to support our work. DAV is proud that Ford Motor Company continues to honor its commitment to the men and women who have served our nation in uniform.

From 1987 through 2015, a total of 3,166 vehicles have been donated to the VA, at a cost of over \$69.6 million.

DAV's commitment to our National Transportation Network is lasting and sure. We have deployed DAV vehicles in every state and nearly every Congressional district serving our veterans, many of whom are your constituents.

National Disabled Veterans Winter Sports Clinic

DAV is a collaborator in another outstanding program that directly impacts the lives and well-being of our most profoundly disabled veterans. Working in cooperation with VA's Recreation and Voluntary Services Department, DAV co-hosts the annual National Disabled Veterans Winter Sports Clinic. For 30 years, this exceptional physical rehabilitation program, held in the mountains of Colorado, has transformed the lives of America's most severely injured and ill veterans. This unique program—often referred to as “Miracles on a Mountainside”—helps severely injured veterans rebuild their confidence, compensate for their injuries and regain balance in their lives. This event promotes rehabilitation and restoration by coaching and encouraging veterans with severe disabilities to conquer adaptive skiing, curling, ice hockey and other sports. It shows them by example that they are not barred from adaptive recreational activities and sports of all kinds. Veterans from all eras have attended our clinics, including many who were injured in Iraq and Afghanistan. Often, this seminal event offers veterans their very first experience in winter sports and gives them motivation to take their personal rehabilitation to a higher level than they may ever have imagined. Participants have included

veterans with multiple amputations, traumatic brain and spinal cord injuries, severe neurological deficits and even total blindness.

For anyone who has attended “Miracles on a Mountainside” and observed our participants and their efforts, it is an inspiring sight, unlike anything you will see anywhere in the world. I can assure you, miracles do still occur. These injured heroes experience life-changing events at our National Disabled Veterans Winter Sports Clinic, and so do all the inspired observers, family members and volunteers who participate. I invite all Members of these Committees to come and experience “Miracles on a Mountainside” with me and other DAV leaders this year. Our next clinic is scheduled for April 3 - 8, 2016, in Snowmass Village, Colorado. If you want to believe in miracles, please join us on the mountainside.

The Next Generation of Volunteers

Sadly, Messrs. Chairmen, we are rapidly losing our veterans from the World War II and Korean War eras; and DAV is proportionately witnessing the loss of DAV volunteers from that population. Ever looking forward, DAV has sought to develop and recognize a new generation of younger VA volunteers. In remembrance of former VA Secretary and former DAV Executive Director, Jesse Brown, we launched a memorial scholarship program. Annually, the DAV Jesse Brown Memorial Youth Scholarship Program honors outstanding young volunteers who participate in the VA Voluntary Service Program and/or through DAV’s Local Veterans Assistance Program to donate their time and compassion to injured and ill veterans.

Since its inception, DAV has awarded 163 individual scholarships valued at nearly \$1.2 million, to enable these exceptional young people to pursue their goals in higher education through the value of volunteering. We at DAV are very proud of the Jesse Brown Memorial Youth Scholarship Program and we thank the Ford Motor Company for its continued support to enable us to continue awarding these scholarships to worthy student-volunteers.

Another corporation that has stepped forward to help veterans of all eras is Golden Corral, which this past November opened its doors again to all veterans on Golden Corral’s “Military Appreciation Night,” serving 336,077 free meals to veterans as a means to thank them for their military service. Nationwide Golden Corral events also yielded more than \$1.3 million in donations to DAV chapters and departments in 2015. Since 2001, Golden Corral restaurants have served more than 4.7 million thank-you meals to our nation’s veterans and helped raise in excess of \$11.5 million in donations for DAV chapters and departments to use in outreach and service programs in their communities.

Well beyond volunteerism itself, generous fundraising efforts by Golden Corral, Ford and others continue to help support DAV initiatives and programs throughout the year and provide our organization the resources to outreach to local veterans so we can help them get the benefits and services they earned from a grateful nation.

DAV NATIONAL EMPLOYMENT PROGRAM

Messrs. Chairmen, the journey from injury or illness to recovery cannot be completed until a veteran is able to find meaning in life, and regain purpose. For those who are able, working to care for themselves and for their families is a principal and life-affirming goal. In the wake of nearly 15 years of war, tens of thousands of military personnel are making the transition to civilian life, with the likelihood of more than 250,000 leaving military service in 2016, and more than a million discharging from the military by 2017. DAV is committed to ensuring that new veterans obtain the tools, resources and opportunities they need to compete in the job market and secure meaningful employment.

Realizing the challenges that many veterans, and especially service-disabled veterans, continue to face in the employment marketplace, DAV established a new National Employment Department in 2014. One primary component of this mission is a partnership DAV formed with RecruitMilitary[®], a veteran-owned and operated full service military-to-civilian recruiting firm. Working with our partner, DAV uses online and offline products to connect employers, franchisors and educational institutions with those who are transitioning from active duty to civilian life; veterans who already have civilian work experience; members of the National Guard and reserve components; and military spouses. All DAV services are offered without charge.

Co-hosting and sponsoring All Veteran Career Fairs in partnership with RecruitMilitary[®], DAV is helping to address one of the greatest needs facing our nation's unemployed and underemployed veterans. In 2014 DAV sponsored 34 career fairs in 29 cities, creating venues for nearly 2,000 high quality companies considering the talents of more than 14,000 active duty; Guard and reserve component members; and veterans and their spouses who attended. In 2015 DAV more than doubled these efforts by hosting 71 DAV All Veteran Career Fairs in 40 cities, creating employment opportunities for nearly 26,000 attendees. The success of our All Veteran Career Fairs has been overwhelming. We are pleased to sponsor 60 more such fairs in 2016 with a projected total attendance of over 23,000. Should our fairs be scheduled in the districts and states of the members of these Committees, we invite you to come and participate to see first-hand DAV's efforts in helping veterans secure meaningful employment.

While DAV is pleased with the number of active duty, Guard, reserve component members, veterans and spouses who have attended and secured meaningful employment through our fairs, we realize traditional or "brick and mortar" career fairs reach only a fraction of those seeking employment. In fact, many active duty, Guard and reserve members, veterans and spouses are unable to attend our traditional career fairs for a variety of reasons including geographical barriers, especially for those serving abroad, or most compelling, the many who may not be able to attend our traditional career fairs because of service-related injury or illness. These challenges led to DAV to expand our employment services by adding a virtual career fair component to our rapidly growing presence in the veteran career fair arena.

We are very pleased to announce that in January 2016 DAV launched a partnership with Veteran Recruiting[®], the leader in producing virtual career fairs. Through this new partnership DAV will sponsor up to 12 virtual career fairs annually to enable us to reach out to active duty,

Guard and reserve members, veterans and their spouses, without regard to their physical locations. Since 2011 our new partner has set an industry-leading average attendance of more than 4,000 job seekers per virtual career fair, resulting in more than 150,000 veterans securing meaningful employment as a result of their participation.

Virtual career fairs allow job seekers to fully interact online with dozens of corporations in real time and without the challenges often encountered through traditional job fairs. Veteran job seekers are able to upload their résumés and move from virtual booth to virtual booth in the same manner as a traditional job fair while engaging with company human resources managers and recruiters through public and private live chat forums. Additionally, because these virtual career fairs are online, job seekers are able to quickly navigate to an online job board of any participating company and apply for a job before leaving the virtual career fair. Also, virtual booths are available before, during and after live career fairs, 24 hours a day, 7 days a week, 365 days a year—a capability that allows veteran job seekers to engage with prospective employers at any time. Moreover, DAV will host a number of virtual career fairs focused on veterans with service-related disabilities as part of our “10K DAV Hiring Challenge.” Through this challenge employers pledge their commitment to hire veterans with service-related disabilities and be part of helping at least 10,000 service-disabled veterans overcome employment obstacles or barriers and secure meaningful employment by the end of 2018. Companies that have pledged their commitment to the 10K DAV Hiring Challenge include Aetna, Exelon, Verizon and Accenture. The federal Department of Health and Human Services has also pledged to participate in our challenge.

Virtual Career Fairs help expand DAV’s efforts far greater than any other veterans service organization and vastly increase our assistance to the many active duty, Guard and reserve members, veterans and spouses who are actively seeking employment or to improve their employment prospects.

In order to best facilitate our employment assistance, DAV has incorporated our VA benefits and claims representation resources into our career fairs, including our Mobile Service Office deployed onsite at many of our traditional career fairs. Indeed, our NSO corps is ever-present at our career fairs and has aided thousands of veterans, dependents and survivors with claims assistance to help them secure their earned VA, DOD and state benefits.

Finally, DAV’s National Employment Department also works directly with major employers who are interested in recruiting skilled veterans. Our Department provides a multitude of resources that veterans can access on our employment resources web page (www.jobs.dav.org), including a job search board complete with hundreds of thousands of current employment opportunities throughout the world, including direct links to company websites. We are pleased to note that visits to our employment resources website have tripled over the past year, currently averaging more than 15,000 visits monthly. We anticipate rapid growth in veterans’ use of this resource in 2016 as a result of our virtual career fairs. Additionally, because online resources are always evolving, we are constantly retooling our website to feature a variety of useful employment and educational resources, including webinars and other guides, and we will continue to highlight individual employers that have demonstrated a commitment to recruiting and hiring veterans.

Messrs. Chairmen, our National Employment Department is still in its infancy with last year being our first full year in operation; however, we are pleased with these noted accomplishments. DAV is excited about the continued growth of this important new program in providing vital employment assistance, not only to ill and injured veterans, but to all veterans and their spouses, as well as active duty, Guard and reserve component members.

DAV CHARITABLE SERVICE TRUST

Organized in 1986, the DAV Charitable Service Trust (CST) is a tax-exempt, not-for-profit organization serving primarily as a source of grants for qualifying organizations throughout the nation. As an affiliate of DAV, the CST strives to meet the needs of injured and ill veterans through financial support of direct programs and services for veterans and their families.

DAV established the Trust to advance initiatives, programs and services that might not fit easily into the scheme of what is traditionally offered through VA programs, DAV Departments and other VSOs in the community. Not-for-profit organizations meeting the direct service needs of veterans, their dependents and survivors are encouraged to apply to the CST for financial support. Since the first grant was awarded in 1988, nearly \$92.2 million has been awarded. In an effort to fulfill the CST's mission of service, support is offered to ensure quality care is available for veterans with PTSD, TBI, substance-use challenges, amputations, spinal cord injuries and other combat-related injuries. It also supports efforts to combat hunger and homelessness among veterans. Initiatives for evaluating and addressing the needs of veterans from every service era and conflict are also encouraged.

Typically, grants are awarded to programs offering:

- Food, shelter and other necessities to homeless or at-risk veterans;
- Mobility items or assistance specific to veterans with blindness or vision loss, hearing loss, or amputations;
- Qualified therapeutic activities for veterans and/or their families; and,
- Physical and psychological rehabilitation for veterans.

Priority is given to long-term service projects that provide meaningful support to unserved and underserved veterans.

As some veterans confront unemployment, homelessness and physical and psychological illnesses, the need continues for innovative programs and services to address these challenges. DAV's CST is dedicated to making a positive difference in the lives of America's most deserving individuals and their loved ones.

By supporting these initiatives and programs, the Trust furthers the mission of DAV. For more than nine decades, DAV has directed its resources to the most needed and meaningful services for the nation's wounded and injured veterans and their families. Significantly, the many accomplishments of both DAV and the Trust have been made possible through the continued

support and generosity of corporate partners, individuals and DAV members who remain faithful to our mission.

FISCAL YEAR 2017 BUDGET REQUEST

On February 9, 2016, Congress received the Administration's budget request for FY 2017 and advance appropriations request for FY 2018. While you review this request, we urge the Committees to closely monitor VA's current medical care funding level to ensure sufficient resources will be available to complete this fiscal year to prevent another shortfall, similar to the events of last summer.

The *Independent Budget* (IB) recommended \$72.8 billion for overall VA medical care funding for FY 2017. The overall medical care funding level requested by the Administration is \$68.6 billion. Also for FY 2017, the Administration proposes to spend \$5.7 billion, of the \$10 billion previously appropriated through the Choice Act, for medical care in the Choice program. In total, the Administration proposes to spend \$12.2 billion on private sector health care services. This would be the largest amount VA has ever spent for care in the community. DAV will continue to monitor and evaluate this growth in purchasing community care and any impact on the VA health care system and the millions of veterans who rely on VA for their needs.

For FY 2018 advance appropriations, \$70 billion is requested for total medical care funding, an amount that is significantly below the IB recommendation of \$77 billion. VA indicated that this advance request is provisional, pending resolution of VA's proposed plan to consolidate non-VA community care programs with the expiring choice program, at which time VA anticipates developing a revised budget request for FY 2018. We urge the Committees to ensure that proper adjustments are made to this initial advance appropriations request once it becomes clear that changes will be made to non-VA community care programs, including the choice option.

Messrs. Chairmen, DAV is concerned that VA's infrastructure needs are woefully underfunded in this budget request. The IB recommended \$2.25 billion for major and minor construction, whereas the Administration has proposed investing only \$900 million to maintain and modernize VA's critical hospitals, clinics and other facilities. At this level of funding, VA will be ill-equipped to handle the demand for care with substandard and aging facilities.

The budget proposes an increase in VA Medical and Prosthetic Research, but VA's request is less than recommended by the IB, primarily because the IB proposes an additional \$75 million for the Million Veteran Program, a DNA repository research program focused on veterans' health; VA's proposal would require funding for this important human genome program to come from within existing research funds. We urge you to fully support sufficient funding for this critical research.

The Administration's FY 2017 budget proposes that the Veterans Benefits Administration (VBA) receive \$119 million more than in fiscal year 2016, but this amount is significantly less than the IB's recommended \$3 billion in total budget authority for VBA. The IB identified a need for significant increases in staff for the Compensation Service, the Vocational Rehabilitation and Employment (VR&E) program and the Board of Veterans Appeals (Board).

Although VBA seeks a staffing increase of 300 full-time employee equivalents (FTEE) for non-rating related work, the tremendous appeals backlog requires a greater workforce as well. The IB recommends hiring 1,700 additional FTEE, 1,000 of which would be dedicated to processing pending appeals in VBA, 300 for non-rating related work, 300 to increase capacity of the call centers, and 100 for the fiduciary program. For VR&E, VA proposed no new staffing despite an anticipated workload increase of approximately 7 percent. The IB recommends an additional 158 FTEE in order to address increased workload while achieving and sustaining the optimal 1:125 counselor-to-client ratio.

Based on the pending appeals at the Board and VBA, the Board's current total inventory could reach 260,000, not including additional appeals that enter the system daily. DAV and our IB partners support the Administration's request to hire an additional 242 FTEE for the Board in FY 2017. In fact, we believe that an even larger increase in staffing will be necessary; however, our FY 2017 recommendation is based on an estimate of the Board's ability to accommodate new employees in one year while maintaining workflow.

Messrs. Chairmen, let me also highlight our concern about a legislative proposal described in the budget that would purport to create a "simplified appeals process" by significantly changing the current appeals system. While final details are not available for this proposal, we are concerned about certain elements of the plan, particularly closing the evidentiary record at the time an initial decision is rendered on a claim and eliminating the option for a hearing before a Veterans' Law Judge. This appeals proposal would have a direct impact on ill and injured veterans and their survivors seeking entitlement to benefits that have been earned through service.

We have offered our own ideas for improving the appeals process, such as the concept of fully developed appeals and Decision Review Officer reforms, and will continue to work with VA, Congress and stakeholders to find reasonable solutions. Regarding the simplified appeals process, we encourage the Committees to carefully consider all proposals to prevent potential negative consequences for veterans, their dependents and survivors.

MAINTAINING AND REBUILDING VA CRITICAL INFRASTRUCTURE

In addition to the need for overall reform of the VA health care system, one of the greatest challenges that Congress must address is providing VA sufficient resources to properly maintain, realign and expand its infrastructure.

Today VA operates 152 hospitals and systems of care, almost 900 community-based outpatient clinics and 161 extended-care and domiciliary facilities. Unfortunately, many of these facilities were constructed decades ago and are struggling to meet the needs of today's veterans in settings originally designed and built for lengthy inpatient care.

Over the past few years, the VA budget requests and the Congress's VA construction appropriations have fallen far short of VA's needs. A VA budget that does not adequately fund facility maintenance and construction will continue to negatively impact the quality and timeliness of veterans' health care and will contribute to the delay and denial of care to veterans who need it.

VA laid out its Strategic Capital Investment Plan (SCIP) several years ago. SCIP provides an in-depth analysis of VA infrastructure, identifying gaps in access, utilization and safety. It also details the cost to close these gaps. While SCIP clearly identifies the gaps and projects the cost to close them, it fails to strategically plan how VA will proceed. Currently, SCIP rates the gaps and places them on an integrated priority list from the most to least critical. Then each year, without explanation, VA submits a budget request that does not follow its own priority list.

Funding to close infrastructure gaps continues to be insufficient and arbitrary. We believe VA must begin requesting funding that will close all safety, condition, access and utilization gaps, while presenting a five- and ten-year plan that will systematically describe when and how VA plans to close each gap. In developing these short and long-term plans, DAV asks that VA develop and deliver a budget proposal designed to maintain VA facilities for the buildings' expected life-cycles, as well as to eliminate existing gaps in safety, access and utilization.

World-class health care requires first-class facilities, but through 14 years of war, VA construction accounts have only received slightly over half of what was required. Additionally, research infrastructure needs have reached a critical point. VA conducted a comprehensive review of its research infrastructure facilities and in 2012 submitted a report to Congress. The report fully assessed the existing state of VA's research infrastructure and verified that for decades, VA construction and maintenance appropriations had failed to provide the resources necessary to address maintenance, life-safety repairs and upgrades at VA research facilities nationwide. VA research is actively involved in veteran-centric studies to provide tomorrow's evidence-based treatments. Quality care and veteran-related biomedical research cannot be provided in substandard facilities. The longer this problem languishes without a solid solution the more it compounds.

KEY LEGISLATIVE PRIORITIES

In addition to our concerns about necessary reforms in VA health care, as discussed above, DAV will strongly advocate in 2016 for progress in three other major policy initiatives. These deal with the needs of women veterans who are serving our country in unprecedented numbers and newly expanded roles; the sacrifices of family caregivers of veterans who were severely injured or made ill while serving; and, VA's efforts to continue its disability claims compensation reform as well as to address the need to improve its performance in appellate work.

Women Veterans

Another key legislative priority for DAV continues to be women veterans. As you are aware, in 2014 DAV commissioned an important study to evaluate the existing programs across the federal landscape for women transitioning from military service. The report highlights that despite a generous array of government-provided benefits to assist veterans with transition and readjustment needs, serious gaps are evident for women in nearly every aspect of current federal programs. To address some of these shortfalls, hearings were held in both veterans committees,

and several bills have been introduced during this Congress. These bills call for improving women's health care services and access to child care for veterans receiving health care at VA, making permanent the temporary pilot program for the retreat counseling program for women veterans who are newly separated from the service, and improvements in suicide prevention services focused on women veterans. We note recent House passage of H.R. 2915, the Female Veterans Suicide Prevention Act and we call on the Senate to take action on this bill at the earliest possible date.

Women veterans are counting on Congress to keep its promise to them by passing much needed legislation in support of improving their health care and enhancing the services they are provided to ensure such services meet their unique health care and transition needs. Therefore, we are very pleased about the recent House passage of several of these measures, some of which were derived from our 2014 report, *Women Veterans: the Long Journey Home*, and we look forward to the Senate's consideration of these bills.

A significant moment in military history occurred on December 3, 2015. The Secretary of Defense announced that beginning in January 2016, all military occupational specialties will be open to women. This change will require significant preparation by VA, as the number of women serving increases, so too will the number of women veterans turning to VA. The inclusion of women in all military occupations, including combat arms units, will present unique challenges not only while they serve, but also in their transitions. These challenges will range from not only the basic health care services provided to women, but those specific to gender and will also include a shifting age distribution of women veterans utilizing VHA and those seeking benefits alike.

As these women transition from military to veteran status, the federal government must aid them in meeting educational goals, obtaining meaningful, gainful employment and provide support and services to help them successfully reintegrate back into their families and their communities. As the DOD recognizes and begins to acknowledge the unique contribution of women by authorizing women to serve in any occupation within the military, it is the duty of our great nation to also recognize their contributions and sacrifices and treat them with the same respect and dignity that is bestowed upon their male counterparts.

DAV continues our determined advocacy to ensure women experiences and sacrifices in serving our nation in uniform are properly recognized and that gaps in federal programs are appropriately closed to ensure that the unique needs of women veterans are being met.

Family Caregivers

Another group that deserves unwavering support by Congress and the American people are family caregivers of severely injured or ill veterans of all military service periods. Only with the help of their caregivers are many of these veterans able to reintegrate into their communities, remain out of institutions and achieve their highest levels of recovery and quality of life. Family caregivers are critical members of a veteran's health care team—they are unsung American heroes who often sacrifice their own health, well-being, employment, educational and other life goals and opportunities—to care for their loved ones, our nation's true heroes.

DAV believes it is only proper that family caregivers be recognized for their decades of sacrifice and dedication—and that they receive the support and assistance needed to fulfill their vital role. We were pleased to work with Congress in enacting Public Law 111-163, the Caregivers and Veterans Omnibus Health Services Act of 2010, authorizing VA to provide comprehensive support and services to caregivers of veterans injured on or after September 11, 2001.

Thousands of families are being helped by these new VA services; however, a much larger group of families carrying the same burdens receives only partial VA support, or none at all. As one of DAV's priorities, we call on Congress to continue the work it began and address this inequity by extending equal benefits, supports and services to family caregivers of veterans of all military service periods. The particular calendar date on which an injury or illness occurred should not be a reason for legislation to discriminate against one group of veterans to favor another. They are all equal in our eyes and equally deserving of your support and the support of the nation.

We acknowledge there is a significant cost for expanding this program. However, the overall cost according to the Congressional Budget Office (CBO) does not take into account the total impact of this change. Research has shown that family caregiving results in cost avoidance based primarily on delaying or avoiding long-term, high-cost nursing home placements, and home caregiving reduces use of health services in general. The amount of cost avoidance increases when accounting for lower health care utilization.

Under the leadership of Chairman Isakson and Ranking Senator Blumenthal, all members of the Senate Veterans Affairs Committee's deserve praise for their hard work in passing S. 425, the Veterans Homeless Programs, Caregiver Services and Other Improvements Act of 2015, which contains provisions to make veterans of all eras eligible for VA's Comprehensive Caregiver Support program. We also applaud Senator Murray's unwavering support to ensure inclusion of the provision to improve and expand this important program.

I encourage the House Committee to take similar actions, and for Congress to enact this legislation this year. If veterans' choice is truly the concern, this Congress should enact legislation that would allow all severely ill and injured veterans who choose to do so, to remain in their homes and communities with the help of fully supported family caregivers.

Disability Claims Processing and Appeals of Denied Claims

Messrs. Chairmen, as you know, after several years of concentrated effort to reduce the backlog of disability compensation claims, the Veterans Benefits Administration (VBA) can point to dramatic transformation of the claims processing system and significant measurable progress. Consider that at its peak in 2013 almost 611,000 claims were backlogged; today VBA reports roughly 75,000 claims are backlogged, defined as claims pending over 125 days. In FY 2015 VBA reported completing nearly 1.4-million claims, a laudable accomplishment, but more work remains to be done.

VBA owes much of this success to implementing new work processing models for the regional offices (RO) and efficiencies gained through the expansion of the Fully Developed Claims (FDC) process to speed up simpler claims for disability compensation. Almost half of all disability claims filed with the VA are in fact FDCs, proving the success and viability of this alternate claims filing process. In FY 2015, DAV successfully filed over 100,000 FDCs with the VA on behalf of our injured and ill veterans.

Disability Benefits Questionnaires (DBQ) have also streamlined the claims process, although some veterans still encounter obstacles within the Veterans Health Administration (VHA) attempting to get a DBQ completed by a VA clinician, but efforts to simplify this process continue. VBA also continues to enhance its Information Technology systems, including the Veterans Benefits Management System (VBMS), the Stakeholder Enterprise Portal (SEP) and e-Benefits, which together have revolutionized the filing of claims by electronic means.

Messrs. Chairmen, please consider that in 2010, no claims were processed electronically within the VA; today almost all of VBA's 364,000 pending claims are fully electronic; less than 30,000 paper claims remain in the system. More than one billion record images have been scanned into VBMS and are associated with claimants' new e-Folders, allowing them to be simultaneously read at all VBA offices, 148 VHA facilities and by veterans service organizations (VSO) that represent veterans in their claims before VA.

It remains essential that VBA foster a proactive relationship with VSO stakeholders, while increasing its transparency about relevant activities. As VBA continues to reform the claims and appeals process, there must be a renewed commitment to full transparency and partnership with VSOs. Together, VBA and VSOs partnered on a number of successful initiatives, including VBMS, FDC and DBQs. However, VBA's openness and outreach to VSOs has noticeably diminished over the past few years.

VBA would benefit markedly by continuing to fully engage with VSO stakeholders in the design and execution of new and existing transformation initiatives. VSOs have deep and longstanding experience and expertise in claims and appeals processing, and through our service programs we are active partners within all VBA regional offices (RO) and in the Board of Veterans Appeals (Board) here in Washington. Our DAV national service officers not only help veterans obtain quicker, more accurate decisions on their claims and appeals for benefits, but they also reduce VBA's workload and provide another layer of quality control.

The National Work Queue

In the first quarter of 2015, VBA was scheduled to begin operation of the National Work Queue (NWQ) program, a paperless workload management initiative designed to improve VBA's claims processing productive capacity. However, although NWQ capability had been developed and delivered, VA's competing priorities for resources have delayed the functionality until sometime in Fiscal Year (FY) 2016. The NWQ builds upon the work flow and management capabilities provided by VBMS and allows veterans' e-Folders containing all of their personal information, data and records to be instantly transferred to any RO and assigned into the work queue of any employee. The NWQ is intended to provide VBA with the ability to redistribute

workload to ROs based on parameters such as the amount of pending workload and the number, experience and type of adjudication staff working at each RO. The NWQ can also separate and allocate workload based on any parameters or priorities established by VBA. In effect, the NWQ acts as the nexus between VBA's business processes and its IT systems, playing the role of "control tower" in claims processing.

The NWQ can provide VBA with significant technological capabilities to reorder and redistribute workload; however, VBA must ensure that the NWQ remains a tool to enhance sound business processes rather than determine which business processes VBA will use. The goal must always be to improve veterans' outcomes and protect their rights in the claims process. Further, while modern information technologies are changing the nature of communication and social interaction, VBA should retain, to the extent practicable, the benefits of having VSO service officers working locally inside ROs, where they help VBA achieve quicker and more accurate decisions for veterans.

Standardized Forms for Claims and Appeals

On September 25, 2014, VA issued a Final Rule in the Federal Register requiring that all claims and appeals for benefits must be filed on standard forms issued by VBA. The rule was fully implemented March 24, 2015. VBA also eliminated the informal claims process and replaced it with a new intent-to-file process. Under the new rule, if a claimant files a written claim or appeal using anything other than a standard form for the purpose, VBA does not recognize that filing as a claim or an appeal; instead, VBA sends the claimant notice as to which form is required to properly complete the claim or appeal filing.

We understand the need to use standard forms whenever possible in order to create a more efficient claims processing system to benefit all claimants, and we support the principles involved in that decision, but VA's hardened rule changes have failed the test of reasonableness. These changes provide for no exceptions or extensions to accommodate the small number of claimants who might require accommodation. Considering the fact that claimants often have physical and mental limitations from service-connected disabilities, may lack the degree of sophistication required to understand, are poor, have no access to the internet, have educational deficits and are subject to other circumstances that may hinder their ability to fulfill these new requirements, these rules need to be amended to allow limited but commonsense exceptions and extensions to the standard form restriction.

Messrs. Chairmen, DAV and other stakeholders were seriously troubled by VA's decision to change the rules for filing claims and appeals without providing for such exceptions. In response, DAV and other stakeholders filed suit against the VA, a case that is currently pending before the United States Court of Appeals for the Federal Circuit. Our suit challenges the March 2015 rule change because we consider this action to have been extremely harmful to injured veterans and their dependents and survivors in their efforts to secure earned benefits related to service performed in our nation's armed forces.

Appeals Reform

While the claims backlog has fallen significantly, as indicated above, the backlog of pending appeals has risen. Over the past several years, DAV has voiced its concerns that appeals were being neglected as VA concentrated on the inward-facing 2015 claims processing goals, but a backlog is a backlog, whether it is a claim or an appeal, and each claim in a backlog represents a veteran waiting for an important VA decision that will affect his or her life and family.

The Board decided more than 55,000 appeals in FY 2014. We estimate the Board will have issued 60,000 decisions in FY 2015. The number of appeals at various stages working their way through VBA toward the Board now exceeds 320,000 not counting over 80,000 appeals already within the Board's jurisdiction. As VA continues to complete more claims each year (at the end of FY 2015, roughly 1.4 million), the rate of appeals also coming into VA increases; these two trends are inversely related.

In order to seek new solutions that could improve the appeals process for veterans, DAV, other interested VSOs, VBA and the Board developed a new appeals approach that we entitled "Fully Developed Appeal" (FDA). DAV testified at several hearings before the House Veterans Affairs Committee during the 114th Congress in support of H.R. 800, the Express Appeals Act, a bill that would create a new pilot program modeled after the successful FDC program. The premise of the FDA program is that some appellants could opt into the streamlined FDA process and contribute some development on their own by gathering new private evidence necessary to support their appeals. These appellants would agree to waive some current appeal processing options and technical work currently performed by VBA and the Board, such as issuance of Statement of the Case, Supplemental Statement of the Case and conduct of hearings. In return the appellant would receive a significantly quicker decision from the Board.

The elimination of these steps could save some veterans two to three years of processing time at the RO compared to the traditional appeals approach. While the FDA proposal is not a magic bullet that will eliminate the backlog of pending appeals, it would create another option that could save some veterans up to a thousand days waiting for their appeals to go to the Board, while also reducing the workload on both VBA and the Board.

With bipartisan support in the House from Representative O'Rourke and Chairman Miller, FDA legislation was included in an amendment to H.R. 677, the American Heroes COLA Act of 2015, a bill that was recently approved by the House. However, H.R. 677 also contains language that would round down cost-of-living adjustments (COLA) for VA beneficiaries for nine years, a legislative proposal that we adamantly oppose because it would dilute benefits for ill and injured veterans, their dependents and survivors.

DAV calls on Congress to strike the round-down language from H.R. 677. Regarding a companion Senate bill, we are pleased to report that members and staff of the Senate Veterans' Affairs Committee are considering the potential merits of the FDA idea. In response, Senator Sullivan, along with Senators' Casey, Heller and Tester, introduced a corresponding FDA bill, S. 2473, the Express Appeals Act of 2016. The existence of these bills in both the House and Senate illustrates the commitment in Congress to reach across party lines to provide injured and

ill veterans, their dependents and survivors with a reasonable and viable solution to address the backlog of appeals pending before VA. DAV will continue to work diligently to achieve a compromise measure.

Messrs. Chairmen and Members, we have identified some additional reforms to the appeals process that we urge VBA, with encouragement from the Committees, to adopt, or for the Congress to require:

- strengthening VBA's Decision Review Officer (DRO) post-determination review program;
- simplifying the "new and material evidence" standard , or eliminating it altogether;
- commissioning a feasibility study on pre-screening appeals to identify cases that should require development prior to review by the Board;
- engaging an outside entity to conduct a Six Sigma management study of the best performing ROs in terms of quality and timeliness, to identify best practices for processing claims and appeals work that would be transportable to other ROs;
- enlisting an independent entity to conduct a time-and-motion study of claims and appeals processing in order to determine accurate and effective human resources requirements for ROs and the Board;
- and finally, requiring the Secretary to report to Congress within 90 days on progress in modernizing the Board's IT systems along with a plan, including required funding, to complete all necessary IT improvements within one year from the date of the required report.

Adoption of these ideas would go a long way toward significantly and substantially reducing VA's appeals backlog, and we urge the Committees to support them.

Messrs. Chairmen, over the past few years, DAV has been very active with our *Operation: Keep the Promise* campaigns. These campaigns focus on the highest legislative priorities. This initiative is synchronized with our 1.3 million members and hundreds of thousands of other DAV supporters, to send coordinated messages to our elected members in Congress regarding vital legislation and policies affecting our nation's ill and injured veterans, their dependents and survivors. In the upcoming year, DAV plans a major expansion of our influence over legislation and policy in VBA by using this tool. Given so few legislative days remaining in the 114th Congress and the momentum already generated with several of the aforementioned legislative proposals, DAV, its members and supporters will be actively calling on Congress to enact critical legislation before Memorial Day 2016. On behalf of injured and ill veterans, I ask that you join us in this crucial effort.

DAV NATIONAL LEGISLATIVE PROGRAM

Messrs. Chairmen, outlined below is a list of major legislative priorities for DAV for the remainder of this Congress. These resolutions were adopted by our membership at our most recent National Convention. On behalf of DAV, I ask the members of these Committees and your staffs to consider the merit of these concepts and use them to enact legislation to improve the lives of injured and ill veterans.

Major policy positions of DAV are derived from resolutions adopted by the delegates to our annual National Conventions. Since our first National Convention in 1921, DAV's legislative program has guided our advocacy for disabled veterans in conformance with the collective will of our members. Our mandates for the 114th Congress cover a broad spectrum of VA programs and services and they are available for you and your professional staffs to see on DAV's website, at <https://www.dav.org/wp-content/uploads/ResolutionBook.pdf>.

Messrs. Chairmen, since 1920, promotion of *meaningful, reasonable and responsible* public policy for wartime service-disabled veterans, their dependents and survivors, has been at the heart of *who we are* and *what we do*. Regardless of politics and whether we agree or disagree with our government's foreign policies or military deployments, our service men and women put their lives on the line to ensure the safety of the Republic and to protect the basic freedoms we enjoy as citizens of the United States.

As a nation it is our obligation to take care of those who served and sacrificed for our collective freedom. We do this by never forgetting the sacrifices of the men and women who served—or those of their families. We do this by keeping our promise to them: through Congress and VA, to provide the resources, benefits and services they need to achieve the best quality of life possible, as they make the often challenging transition back to civilian life. DAV represents wartime veterans of all ages and all periods of wartime service. As you go about your work we urge the Committees to ensure your legislative proposals are fair to all eras of veterans who have served. Despite when they served, our service disabled veterans all sacrifice—many for decades. And they all need your support.

With the realization that we will receive ample opportunities this year to more fully address many of DAV's specific legislative resolutions during hearings before your Committees and personally with your staffs, I shall only highlight our key legislative priorities in this testimony. Along with our VSO partners, and relying upon the strength of our grassroots members and supporters, DAV will work aggressively and proactively to advance these key legislative priorities, while continuing to look for opportunities to promote all DAV legislative and policy goals.

Disability Compensation and Other Benefits

- Complete the ongoing reform of VA's benefits claims processing system, with the focus on quality, accuracy, accountability and timeliness.
- Eliminate inequitable policies that prohibit the concurrent receipt of VA disability compensation and military retired pay and that require Dependency and Indemnity Compensation and military Survivor Benefit Plan payments to be offset.
- Provide for a 10-year protection period for service-connected disability evaluations.
- Reduce the 10-year rule for Dependency and Indemnity Compensation.
- Exclude veterans' disability compensation from countable income for purposes of eligibility for benefits and services under other government programs.
- Oppose any proposal that would offset payments of Social Security Disability Insurance benefits or any other federal benefit by the amount of VA compensation.

- Contest any scheme to means test disability and death compensation.
- Resist any change that would redefine service-connected disability or restrict the conditions or circumstances under which it may be established.
- Oppose any recommendations by any commission to reduce or eliminate benefits for disabled veterans.

Health Care Services

- Support a new paradigm for reform of veterans health care
- Strengthen and expand women veterans health care programs and services.
- Expand caregiver services to meet the needs of veterans' caregivers from all eras.
- Develop and build support for a comprehensive long term plan to address VA's aging health care infrastructure needs, including VA research facilities.
- Improve and expand cost-effective VA long-term support and services.
- Ensure timely access to mental health care and counseling services for veterans suffering from TBI and PTSD, with particular focus on newer veterans in transition.
- Provide priority access and timely, quality health care services to service-connected disabled veterans.
- Repeal VA and Department of Defense co-payments for medical care and prescription medications.
- Repeal beneficiary travel deductibles for service-connected disabled veterans and support increased reimbursement rates.

Employment and Economic Opportunities

- Enact legislation that will allow veterans to transfer their military skills and credentials to the civilian sector to enhance their economic opportunities.
- Strengthen veterans' vocational rehabilitation and employment programs by ensuring adequate funding for increased staffing and IT enhancements to meet increases in VR&E demand.
- Remove the 12-year delimitating date imposed on Chapter 31 (vocational rehabilitation) entitlement.
- Improve delivery of transition services to all separating service members.
- Enact legislation to transfer veterans' employment programs from DOL to VA in a new Veterans Economic Opportunity Administration, which also includes VR&E, education and business programs.

General Issues

- Extend military commissary and exchange privileges to service-connected disabled veterans.
- Provide space-available air travel aboard military aircraft to 100 percent service-connected disabled veterans.
- Award educational benefits to dependents of service-connected veterans rated 80 percent or more disabled.

- Reduce premiums for Service Disabled Veterans' Insurance consistent with current life expectancy.
- Provide the fullest possible accounting of POW/MIAs from all wars and conflicts.
- Support Former Prisoner-of-War slave labor claims against Japanese firms.

To improve quality of life, DAV has approved a national resolution for years calling on Congress to raise disability compensation payments for service-disabled veterans and the survivors of veterans who die from their service-related injuries. Congress has not responded other than to provide annual cost-of-living adjustments that, while appreciated, are minimal at best. This year, no COLA is being paid at all. I ask that each of you consider what a seriously disabled veteran is paid by the nation in disability compensation for his or her sacrifice. On average, a 100 percent service-connected combat-disabled veteran is paid \$36,000 annually. I would challenge you to provide for your family on that amount of money for the year 2016, or any year, especially in the presence of unending disability and all that disability entails to depress the quality of a person's life. If Congress even doubled that amount, the payment would still be very small for the sacrifices rendered by these veterans. A veteran who loses a leg above the knee in combat only receives a fraction of that amount in compensation each year. Some of these veterans are behind me today; I encourage you to take the time to talk to them about disability compensation and what it means to them and their families. They might give you a new insight on what "income inequality" truly means, since that term is much in the news these days. We realize this is not an opportune time to increase federal mandatory spending, but I believe here is a challenge worthy of a grateful nation and of a thoughtful, caring Congress, and one that I and everyone in this room would hope the Members of these Committees would embrace.

CONCLUSION

Messrs. Chairmen, as our weary nation winds down from combat operations after 14 years of war, hundreds of thousands of new veterans are making that very challenging transition that we in DAV have all experienced ourselves. The transition out of uniform and back to civilian life can be difficult, especially for the injured and ill, but that is where DAV is at its best.

DAV looks forward to working with you in the year ahead. It is an honor and a privilege to serve as DAV's National Commander, and I pledge to work tirelessly to ensure injured and ill veterans' voices are heard as we continue our mission of more than 95 years of service to the men and women who stepped forward, when duty called, and said, "send me."

We enter 2016 with a clear picture in sight, but I need your help and that of my membership and other DAV supporters to ensure we accomplish our goals. During an election year, it is our collective responsibility to stay informed on legislation impacting veterans and their families and to constantly remind the Members of your Committees, all of Congress, the Administration and candidates for President that we will not be ignored, especially when it comes to the needs of veterans who were injured or made ill as a result of military service, and the needs of their caregivers, dependents and survivors. This is at the heart of our mission.

Messrs. Chairmen and Members of the Committees on Veterans' Affairs of the Senate and House of Representatives, I hope my testimony today demonstrates to you that DAV does

not come before you with a hand out to ask for special favors, tax advantages or unearned benefits. We believe our members, and all veterans who were harmed as a consequence of their military service, along with their family members, earned their benefits and paid a high price for them in full—and in advance. It is true that some of our injured and ill veterans do need a hand up in their post-service lives—for transition services; hospitalization, rehabilitation and other health care; prosthetics for lost limbs; insurance for the uninsurable; education and re-training; housing and supportive services, including housing for those who become homeless, or specialized mental health services to recover; business and employment opportunities; compensation for the living; and compensation for the survivors of those lost—all earned with service and sacrifice. These benefits and services help veterans restore themselves and prepare for a future as productive citizens; comfort them if they lose their ability to work as a consequence of military service; or keep them, their family caregivers and companions, and their survivors from slipping into poverty. Given what veterans have done for this country since its founding more than two centuries ago, we believe it's a small price to pay. It's the price of freedom. Many VA hospitals are adorned at building entrances or at the front gates with these words: *The Price of Freedom is Visible Here*. I believe this is a powerful and fitting statement to honor our heroes and compels our national resolve to keep the promise.

I hope you will agree that DAV's testimony today shows once again that DAV not only advocates on behalf of our nation's ill and injured veterans, but we also continue to give back to our nation, our fellow veterans and our communities through the numerous free programs and services detailed in this testimony—in claims and appeals representation, volunteerism, transportation, therapeutic recreation, outreach, family caregiving of the injured, sick and dying, disaster relief, charitable grants and all the other good works in which DAV engages on a broad national scale.

Messrs. Chairmen, these DAV services aid veterans directly and support and augment VA programs throughout the United States. Our family caregivers actually reduce VA health care costs, whether VA provides services and supports to them as caregivers—or not. Across many dimensions I believe DAV is one of VA's most valuable partners in caring for our nation's veterans. I trust you can see why the men and women of DAV and its Auxiliary are proud of this great organization and all that it does for veterans, their families and survivors every day of every year.

In closing, as National Commander, it has been an honor and a highlight in my life to appear before you today to serve as the voice of DAV, to demonstrate to you and your colleagues that DAV devotes its resources to the most meaningful services for injured and ill wartime veterans, to present our legislative goals for 2016, and to share the collective concerns of our organization. I know that all of us in this room and all DAV and DAV Auxiliary members nationwide share a deep and abiding respect for the brave men and women who have served our nation in World War II, Korea, Vietnam, the Persian Gulf, and those who serve our nation in uniform today, especially those in harm's way overseas, not only in Afghanistan and Iraq, but who are deployed in many dangerous and challenging places across the world. May God watch over them and keep them safe.