AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

S. HRG. 109–218

IS THE VA PREPARED TO MEET THE NEEDS OF OUR RETURNING VETS?

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

JULY 6, 2005

Printed for the use of the Committee on Veterans' Affairs

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE
24-578 PDF WASHINGTON : 2005

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON VETERANS' AFFAIRS

LARRY CRAIG, Idaho, *Chairman*

ARLEN SPECTER, Pennsylvania	DANIEL K. AKAKA, Hawaii, *Ranking Member*
KAY BAILEY HUTCHISON, Texas	JOHN D. ROCKEFELLER IV, West Virginia
LINDSEY O. GRAHAM, South Carolina	JAMES M. JEFFORDS, (I) Vermont
RICHARD BURR, North Carolina	PATTY MURRAY, Washington
JOHN ENSIGN, Nevada	BARACK OBAMA, Illinois
JOHN THUNE, South Dakota	KEN SALAZAR, Colorado
JOHNNY ISAKSON, Georgia	

LUPE WISSEL, *Majority Staff Director*
D. NOELANI KALIPI, *Minority Staff Director*

C O N T E N T S

JULY 6, 2005

SENATORS

WITNESSES

IS THE VA PREPARED TO MEET THE NEEDS OF OUR RETURNING VETS?

WEDNESDAY, JULY 6, 2005

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:01 a.m., in room 2525, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois, Hon. Barack Obama presiding.

Present: Senators Obama and Durbin.

OPENING STATEMENT OF HON. BARACK OBAMA, U.S. SENATOR FROM ILLINOIS

Senator OBAMA. Good morning, everybody.

I would like to bring our field hearing to order, and I want to thank all of you for taking the time to join myself and Senator Durbin today. I want to also thank Chairman Larry Craig and Ranking Member Danny Akaka of the Senate Veterans' Affairs Committee, for allowing us to hold this field hearing in Illinois.

I particularly want to thank my senior senator from Illinois, Dick Durbin, for joining us here today. He will be here for the entire first panel. He may have to leave a little bit early, but we are fortunate to have him. I want to remind everybody that he is more senior than I am. The only reason that I am presiding today is I happen to be on the Veterans' Affairs Committee. But Senator Durbin has been working on this issue, making sure that veterans get the benefits that they deserve for a very, very long time, so we appreciate his service. He will have an opportunity to make an opening statement.

As of yesterday, 13,190 men and women had been wounded in Operation Iraqi Freedom; 13,190 husbands, wives, mothers, and fathers, who will return home from service with scars that may change their lives forever. They are heroes and they deserve our deepest gratitude and support. They serve as a reminder to us that this Committee, the Veterans' Affairs Committee, must do whatever it takes to guarantee that our veterans receive the care they need to carry on with their lives when they come home.

That means the VA and the Department of Defense must work together to provide more efficient vocational and rehabilitation services. It means insuring that we have the capacity to treat specific needs, like soldiers returning home with post-traumatic stress syndrome. It means that veterans who are wounded should be greeted with a disability benefit system that treats a veteran from

Illinois the same as a veteran from New Mexico, both getting a fair evaluation of their claim and a fair amount of disability benefits.

As we all know, our preparation for the wars in Iraq and Afghanistan did not adequately consider what these wars would mean for our Department of Veterans' Affairs. Just last week, we learned that the VA was more than one billion dollars short in its healthcare funding. That is more than a billion dollars in VA doctors' visits or veterans' prosthetics that could have gone without funding. Fortunately, on a bipartisan basis, we were able to initiate an emergency supplemental. But the VA almost had to fill this shortfall by shuffling around some of its funding or dipping into its rainy day fund.

Now, I know that some of the VA said that this was just routine accounting, but the men and women in the Senate thought it was a little bit more like fudging the numbers. One of the things that we are looking for is a strong partnership with the Veterans' Administration, to make sure that we are adequately estimating the resources that are needed to provide basic care to our veterans.

Let me be clear. The Department of Veterans' Affairs should not be funded on an emergency basis. The Office of Management and Budget and the Administration have to work harder to ensure that the budgetary numbers presented to Congress are accurate, and the fiscal predictions are based not on wishful thinking, but on reality. Even though we have cleared this recent budgetary crisis, it is not obvious to me that the VA is where it should be for our veterans returning from Iraq and Afghanistan, or for any of our Nation's veterans. I am pleased to see that Senator Nicholson has been responsive on the issue of disability benefits, after repeated requests from myself and Senator Durbin, but we still have more work to do.

Just a couple of other points that I want to make, and then I will turn it over to Senator Durbin. All of us, I think, were dismayed, but not terribly surprised to see that Illinois had ranked at the bottom of the heap with respect to disability benefits, based on the VA Inspector General's report.

I was concerned that the Inspector General did not evaluate the denials of post-traumatic stress disorder claims. Unless these denials are evaluated, we will not know whether Illinois veterans who are refused PTSD claims are being treated fairly. The report also found that those veterans who relied on the services of Veterans' Advocates received on average more than $6,225 than those who filed claims without any assistance, which speaks, I think, to the important role that the VSO's play in making sure our veterans are treated fairly.

I hope that some of the information that has been gleaned from these reports will help our veterans. We are going to stay on the case, with respect to Secretary Nicholson. My understanding is that Secretary Nicholson has added five raters to the Chicago Regional Office, and that's something that I am sure we can talk to Mr. Olson about.

I hope today that we can learn more about the Illinois experience with disability benefits, how the VA is handling those who would like to have their claims reviewed, and whether the VA is prepared to handle the returning veterans.

One other issue that we hope to discuss today, and this will be the focus in particular of the second panel, is whether the VA is prepared to meet the health-care needs of our returning veterans. As I mentioned, we already have seen an underestimation of resources that are needed, that had to be filled by an emergency spending gap. I know veterans have difficulty getting access to VA care and I don't want the men and women risking their lives in Iraq and Afghanistan to return home to be greeted by a system that tells them thanks for fighting for your country, now take a number.

We have to start evaluating the needs of the returning veterans. I know many experts have predicted the veterans returning from Iraq will be particularly susceptible to PTSD, and the Government Accountability Office recently found that the VA may not be prepared to meet these increased mental health needs. I hope the witnesses on the second panel can discuss the issue of PTSD and the need of our returning veterans.

In addition to PTSD, this war has also seen an increase in the number of serious amputees. Brave men and women who may not have survived earlier wars are now surviving thanks to advanced technology. They have a chance not only to survive, but live normal lives.

A good example that Senator Durbin and myself are familiar with, Illinois Guard member, Major Tammy Duckworth, an extraordinary woman who was injured when her Blackhawk helicopter was shot down last year. She appeared before the Senate VA Committee, told us not only how she had received therapy, but how she was hoping to fly again despite the loss of both legs. Given her bravery and determination, I have no doubt that she will, but I want to make sure that the VA has the prosthetic therapy and devices she needs to succeed in her life goals. I also want that same service available to all our veterans. I hope that the witnesses in the second panel will be able to discuss the issue of prosthetics, as well.

I know we could discuss the topics that I have just raised for weeks here, but unfortunately we only have 2 hours. I am going to be asking the witnesses to keep their testimony to 5 minutes each, and then myself and Senator Durbin will ask questions. We will be happy to enter into the record complete statements from all the witnesses, if they wish. If your 5 minutes are up, we don't have an official timer other than me, so I am going to be watching my watch. But if you have additional statements that you want to put into the record, you will be able to do so.

With that, let me turn it over to my senior Senator, Senator Dick Durbin.

OPENING STATEMENT OF HON. RICHARD J. DURBIN, U.S. SENATOR FROM ILLINOIS

Senator DURBIN. Thank you very much, Senator Obama. We welcome you to the Senate, and you came to the Senate at the right moment in being appointed to the Senate Veterans' Affairs Committee. I don't think there has ever been a moment in recent memory when Illinois veterans have needed such a strong voice in Washington.

The reports that we have received about some of the disabled veterans who have been shortchanged in Illinois—the fact that for 20 straight years, Illinois veterans ranked fiftieth out of 50 states when it came to average disability payments—really tells us the need for response. Senator Obama came to the job even before he was sworn in, understood the gravity of this challenge, asked for appointment to the Committee on Veterans' Affairs, and we joined together in bringing Secretary Nicholson to Chicago once the report was complete.

I salute Secretary Nicholson because as I said at that hearing, this problem was not his creation but it's his leadership that can solve this problem. We were happy at that hearing to have so many veterans' organizations back us up. They came and said, "We need to have two things: We need more people working in this office so that the veterans returning are going to be dealt with on a timely basis." As Senator Obama said, it shouldn't be a matter of take a number, and get in line and wait, and hope for the best.

We also need to make certain there's enough advocacy for the veterans who are disabled. We find that those who have an advocate with them, a counselor with them going into the VA system, do dramatically better than those that go in by themselves and try to handle their claims. We certainly want to make certain those veterans of the past, who have filed disability claims and been shortchanged by the system, have another day in court, another chance for an appeal. So they can be treated fairly and receive exactly what they need.

We are concerned, too, about the returning soldiers from Iraq and Afghanistan. The Veterans' Affairs budget documents projected that 23,553 veterans would return this year from Iraq and Afghanistan and seek medical treatment. However, Veterans' Affairs Secretary Jim Nicholson told the Senate Committee, now there's been advised upwards from 23,000 to 103,000 for the fiscal year that ends September 30.

In other words, more than four times as many soldiers are coming back from Iraq and Afghanistan needing help in the VA system. More than four times what the VA anticipated. This year the VA will process 80,000 more Iraq and Afghanistan veteran patients than expected. As surprising as that is, that actually represents only 1.6 percent increase in the nearly five million patients treated by the VA.

One might expect a system as big as the VA to be able to absorb a 1.6 percent increase. But as Senator Obama said, we have learned to our dismay, just last week, that the Veterans' Administration is under funded by at least a billion dollars, maybe a billion-and-a-half. After assuring us for months that this was not a problem, they finally acknowledged that it is a problem. They just don't have the resources to help our veterans as promised. They have told us that the wait times were null with the VA. That is not what we are hearing from veterans. We understand the wait times need to be dramatically improved.

Let me say, as well, that I am concerned about a lot of people who are coming into the system. Roughly 1.1 million American troops have served in Iraq and Afghanistan. Already of the 360,000 who have been discharged, 24 percent, about one out of four, have

come to the VA for medical care. If that ratio continues to hold and we continue with the military commitment we have made overseas, we might see a VA patient increase roughly three times the size of the one that caused the one-billion-dollar shortfall.

We promised these men and women, if they would serve our country and risk their lives, we would stand behind them when they came home. We have to keep that promise. Our challenge for the future is to not only meet the needs of the expanded veteran population, but to make sure we never compromise the quality of care for veterans in the system.

In the Senate, Senator Obama and I have joined together in passing a $1.5 billion supplemental appropriation bill, which was sent to the House of Representatives. It was a very bipartisan bill. I don't think there was a negative vote. It was an amendment offered first by Senator Patty Murray, Democrat of Washington, Senator Santorum, Republican of Pennsylvania. Came together in a bipartisan effort. 1.5 billion. Frankly, the speeches on the floor told the story. They said before you go home for the Fourth of July parade, do something for the veterans. And so we passed it.

It went over the House of Representatives where they cut the amount to be added to the VA to around $950 million, a pretty dramatic cut over the Senate figure, which we believe the VA had made clear they need it. As we left Washington, it was still unresolved between these two numbers. When we return next week, that number has to be resolved.

We need to talk to the President about making sure the budget is going to be accurate in the future, and we are responsive. We need to make certain that we move forward on mandatory funding for veterans' health care. We need to develop legislation, as Senator Obama has said, to deal with post-traumatic stress disorder.

I mentioned to Senator Obama that I had a series of hearings around the State, and I have done this on many different issues at many different times. I have never had a more compelling hearing than those with the returning soldiers from Iraq and Afghanistan. Some of the best and brightest in Illinois and America, who come back with no visible scars, but have invisible scars from some of the things that they have seen and done and witnessed and gone through. They need counseling. They need help, as do their families. If we don't provide them help, the situation will only get worse. Of course, we are pressing the VA to respond to the specific needs in Illinois for our veterans, based on the Inspector General's report.

As helpful as these actions may have been, there's a lot more work to do. We listened to a lot of experts in Washington. Today we are going to hear from the real experts, the veterans of Illinois, and I thank Senator Obama for this hearing.

Senator OBAMA. Good. Thank you so much, Senator Durbin.

Our first witness is Mr. Stephen Herres, a veteran who's experienced directly the disability benefit system and some of its failings.

Mr. Herres, we very much appreciate your taking the time to be here. If you could just introduce yourself and tell us a little bit about your story.

STATEMENT OF STEPHEN HERRES, VIETNAM VETERAN

Mr. HERRES. I am a Vietnam veteran and I proudly served my country in the U.S. Marine Corp for 9½ years.

Before I begin my testimony, though, I would like to thank my advocate, Mr. Alan J. Lynch, without whose many hours of dedication and continued support, I would not be here today.

While I was on active duty, I had a safe fall on my knee injuring it permanently, and in May 1974 my hands were crushed between an aircraft tow tractor and a mechanical lift.

I filed a claim with the VA in March 1980 for my knees and my hands, and I was awarded 10 percent disability on my knee. Upon reevaluation without the actual exam, in 1981 the VA took back the 10 percent that they gave me for my knee. With the assistance of Senator Durbin's office in 2001, I was reexamined and I was reinstated with the 10 percent on my knee.

In August 2002, I contacted Mr. Lynch. He advised that I see an outside orthopedic surgeon, who ordered both an MRI and bone scans on me. The VA's MRI found only an abnormal knee, while the MRI of the independent doctor noted degenerative joint disease throughout the knee, with nine points of degeneration.

On my exam of March 18 at the Hines VA office, I brought my bone scans for the VA to see. I thought I would be seeing a doctor. A nurse practitioner, Karen Clark, saw me. She refused to even look at the bone scan, stating that bone scans are worthless and only her x-rays and her opinion mattered.

My case was sent to Washington, DC on appeal on April 27 of 2004. They returned my file to Chicago on remand in August of 2004. The remand, signed by Federal Judge Flowers, stated that an orthopedic surgeon see me. My exam was scheduled September 21, 2004, and instead, I was seen by Physician Assistant Terence Kenton, who did not follow the directions of the remand.

On the Statement of Case of October 1, 2004, under the evidence, it is stated that I failed to report for an exam on August 4, 2004. I was never scheduled for an exam on August 4, 2004. At the assistance of Mr. Lynch, I was rescheduled in accordance with the remand to see an orthopedic surgeon on December 28, 2004.

The clear and unmistakable errors of the 1981 discontinuance of my disability on my left knee and the 1980 failure of the VA to process a claim for the crush wounds to both hands, were returned to Mr. Olson on May 25, 2005 for proper action. It was passed down through the chain of command to a rating specialist that denied my entire claim. He ignored all the documentation and evidence from the last 4½ years, to even include the findings of the VA's own orthopedic surgeon, dated December 28, 2004.

After referring back to the injury to the knee while on active duty, she stated in her findings: "Diagnosis: Degenerative arthritis of the left knee." By denying the clear and unmistakable error on my left knee, the rating specialist would have you believe that my knee was completely healed and then mysteriously came back after 20 years. The evidence and the documentation proved just the opposite.

On the crush wounds to my hands, my military medical file states, on November 14, 1974, "Diagnosis: Patient has arthritis to the joints of both hands from post-crush wounds." Referring back

to the crush wounds received on May 9, 1974, the VA's own orthopedic surgeon verified this condition in her exam of December 28, 2004. She states in her diagnosis, "post traumatic arthritis of the MP PIP and DIP joints of the index, middle, ring and little fingers of both hands." After more than 25 years, the VA still refuses to acknowledge the crush wounds to these hands. The deliberate arrogance and gross incompetence of the rating specialist in the handling of my case is indicative of and fostered by management at the highest levels of the Chicago VA office. I am sure that there are many honest, hardworking individuals working there. I am just as sure that there are many individuals like the rating specialist, who for many Illinois veterans and their families, such as my wife and I, have suffered years of anguish and hardship. This must not go unnoticed, nor without repercussions.

Everyone in this room is indebted to veterans, past, present, and future, for the freedom that they enjoy. No veteran, when going to the VA for a disability claim, should ever feel that he or she is at war. We have been there. We have done that. For that, we have served our country honorably, and we deserve and demand your respect. For that, for all the positive changes that will occur at the Chicago VA office as a direct result of today's hearing, in both personnel and policy, on behalf of all Illinois veterans, present and future, and their families, I extend to all of you their deepest gratitude and their most sincere thanks. Thank you, gentlemen.

[The prepared statement of Stephen Herres follows:]

PREPARED STATEMENT OF STEPHEN HERRES, VIETNAM VETERAN

I am a Vietnam Vet. I proudly served my country in the United States Marine Corp. for 9 yrs. and 6 mos. Before I begin my testimony, I would like to thank my advocate Mr. Allen J. Lynch without whose many hours of dedication and continued support I would not be here today.

1. Tell of (2) injuries received on active duty. Knee (Field Safe security chain not in Place) Nov. 1969 Cherry Point., N.C; Hands (Crush Wounds) May 9, 1974 Beaufort S.C.

2. Filed claim on March 31, 1980 for knee and hands.

Exam Sept. 19, 1980. Received 10 percent disability on knee.

3. Re-evaluated in Sept. 1981. The individual giving the exam said:

"Let me see your hands." I showed him my hands and he said he didn't see any arthritis. He then told me to walk about 10′ and back: then replied: "I don't see anything wrong with your knee." He asked where I worked; I replied the Post Office. He then said: "you have good insurance and collecting disability would threaten your job." He advised me to use my insurance and don't come back. Shortly after my disability payment stopped.

4. Contacted Senator Durbin February 22, 2001.

5. On May 21, 2001 Mr. Vernon from Senator Durbin's Office said that Mr. Heinz of the VA was still insistent that I never received any disability from the VA and such a file simply does not exist. Mr. Heinz stated that a thorough search was made and my file could not be found. I had to prove that I had received a disability using my Form 15 U.S. Civil Service Commission claim 10 point Veteran preference from my personal file from my place of employment.

6. With Senator Durbin's assistance, it took 6 months for the VA to schedule an appointment for an exam. The exam took place on August 7, 2001. Although the condition of the knee and wrists were confirmed on September 5, 2001 and I was paid back to August of 2001, payment for my knee was not received until March 26, 2002, and not received for my wrists until February 15, 2003.

7. On August 22, 2002 I contacted Mr. Allen J. Lynch. He advised that I see an independent doctor. I saw an Orthopedic Surgeon. He wrote two orders, one for a MRI and another for complete bone scan. Although the VA's MRI found only an abnormal knee; the independent doctor noted degenerative joint disease throughout the knee 9 points of degeneration. My personal physician wrote: Decreased handgrip and deformity in the MP, and PIP joints.

8. After every exam I would return back to obtain a copy of their report and write a letter of disagreement. The VA consistently misquoted me and wrote their own version of the facts.

9. On my exam of March 18, 2003 I brought my bone scan for the VA to see. I thought a doctor would see me. A Nurse Practitioner Karen Clark saw me. She refused to look at the bone scan stating that bone scans are worthless and only her x-rays and her opinion mattered.

10. My case was sent to Washington D.C. on Appeal April 27, 2004. Washington returned my file to Chicago on Remand August 17, 2004. The remand, signed by Federal Judge Flowers stated that I see an Orthopedic Surgeon. My exam was scheduled for September 21, 2004 and I was seen by Physician Assistant Terrence Kenton. He did not follow the directions of the remand.

11. On the statement of case dated October 1, 2004 under evidence it is stated that I failed to report for an exam on August 4, 2004. I was never scheduled for an exam on August 4, 2004.

12. On October 15, 2004 Mr. Lynch contacted Mr. Keith M. Wilson, Director Appeal Management Center in Washington, D.C. and Mr. Michael Stephens, Veterans Service Center Manager, Chicago, IL on the August 4th issue.

13. On November 15, 2004, Mr. Lynch again contacted Mr. Stephens requesting that another exam be scheduled in accordance with the remand.

14. On December 28, 2004 I had another exam at Hines Hospital. I was examined by an Orthopedic Surgeon.

15. The Clear and Unmistakable Errors on the 1981 discontinuance of disability payments on my left knee and on the 1980 failure of the VA to process a claim for crush wounds to both bands were returned to Mr. Olson, Director of Chicago Office on May 25, 2005 for proper action. Mr. Olton gave my file to Mr. Larry Rogers, Chief ACT Team; he in turn gave my file to a rating specialist for rating. The rating specialist denied my claim. Ignoring the documentation gathered over the last 4½ yrs. To even include the findings of the VA's own Orthopedic Surgeon of December 28, 2004. After referring back to the injury of the knee while on active duty, she stated as her findings: "Degenerative arthritis of the left knee."

By denying the clear and unmistakable error on my left knee the rating specialist would have you believe that my knee was completely healed and injury came back after 20 years. The evidence and the documentation of the VA own Orthopedic Surgeon proves just the opposite. On my crush wounds to hands; my military medical file states on November 14, 1974 the diagnosis: "Patient has arthritis to joints of both hands from past crush wounds." Referring back to the crush wounds received on May 9, 1974; the VA's own Orthopedic Surgeon verified this condition in her exam of December 28, 2004.

She states: "Post traumatic arthritis of the MP, PIP, and DIP joints of the index, middle, ring, and little fingers of both hands. After more than 25 years, the VA still refuses to acknowledge the crush wounds to my hands."

16. The rating specialist's deliberate arrogance and gross incompetence in handling my case is indicative of, and fostered by management at the highest levels of the Chicago VA Office.

I am sure that there are many honest hard working individuals in the Chicago VA Office. I am just as sure that there are too many other individuals like the rating specialist at whose cold and callus hands many Illinois Veterans and their families have suffered years of anguish and hardship. This must not go unnoticed nor without repercussions. Every person in this room is indebted to veterans past, present, and future for the freedom they enjoy. No Veteran while pursuing a disability claim with the VA should ever feel that he or she is at war. We have been there and served our country honorably. For that; we have earned and demand your respect! For all the positive changes in personnel and policy at the Chicago Regional VA Office as a direct result of today's hearing; on behalf of all Illinois, Veterans present and future and their families I extend their deepest gratitude and most sincere thanks. Thank you, gentleman.

Senator OBAMA. Thank you very much, Mr. Herres, for your eloquent testimony. We are going to go through all the witnesses first, and then Senator Durbin and myself will come back to you to ask some questions.

Next we have got Mr. Al Lynch, Chief Service Representative, Vietnam Veterans of America. I should just mention, I hope you don't mind me mentioning, Mr. Lynch, that he is a Metal of Honor

winner and somebody who has gone above and beyond the call of duty with respect to protecting this country.

Mr. Lynch.

STATEMENT OF ALAN J. LYNCH, CHIEF SERVICE REPRESENTATIVE, VIETNAM VETERANS OF AMERICA, CHICAGO, IL

Mr. LYNCH. Thank you. First, I want to thank you for having this hearing today. I also want to commend the Department of Veterans' Affairs at the Chicago Regional Office for the work they have done to improve. Since 1998, I believe, they have gone from fiftieth, the bottom of the stack, up to about 25, 23 in benefits returned. They have made a lot of progress. I must say, too, that a lot of the problems that have been created at the Chicago Regional Office are not really the fault of the Chicago Regional Office. I wasn't made aware of this until a few weeks ago.

Several years ago there was a major RIF in the Chicago office. A number of people were laid off, clerks, typists, adjudicators, rating specialists, and so on. The amount of staff reduced, the workload didn't. That's why we have 21 percent of the cases being, I think they call it brokered out, to other regional offices. The waiting times have increased at the Chicago office as a result of this. If you want to look as to why the Chicago office is having troubles with timeliness and waiting times and so on, look to Central Office. They are the ones that reduced the staff.

What I was told was that there is a 16 percent pay differential for rating specialists and staff members of the Chicago office. It's a lot cheaper for the VA to go to Arkansas or wherever else, where the cost-of-living is low, and fully staff those offices, at the same time reducing the staff at the Chicago office. So much of the problem is not their fault.

However, year after year, those of us that are veteran advocates have to deal with the same, it seems, the same small, very small group of rating specialists who are consistent in their inability to properly rate claims. This is something that has gone on for as long as I have been there. I have been doing this for 20 years as a veterans advocate, and we continuously see the same names pop up and the same types of rating decisions that are, frankly, viewed under the narrowest of criteria. Even the Congress wrote the law that says that the VA will administer the laws under a broad criteria, and yet these few specialists view it under a very narrow criteria.

The problem is, when you have a regional office that has had a shrinkage of the number of staff members, these few rating specialists now do much more work under much more pressure than they have ever had to do before. Consequently, the number of cases that they do are increased, and so their impact on the veteran community is increased. I would maintain that there needs to be something done, as far as a disincentive, for these rating specialists to be able to continue on as they are.

Now, I don't know the inner workings of the VA. All I know is what I see. When I see the same rating specialists sitting in the same desks, doing the same job year after year after year, that says to me that nothing is being done to foster a change in attitude and a change in the way they rate. When I see rating specialists,

that we have come to know and love as being the narrowest minded of rating specialists, being promoted into areas of greater responsibility, team leaders in the ACT team, maybe even DRO's, decision review officers, that says to me that they are being rewarded for their narrow view of the law. A law that you wrote to be broad in its application.

I would submit that there must be some way of accountability, individual accountability, on individual rating specialists that continue to do this. When you have a remand, an overturn rate, from the Board of Veteran Appeals that passes 60 percent up into 70 percent, I would suggest that there is something drastically wrong with an office that allows that to continue. Any office, not just Chicago, but any office. If we had cars on the road, 60 percent of which were being recalled, the auto manufacturer would go out of business.

I'd submit that a remand sent back to a regional office for further work say that somebody didn't do their job effectively before it was sent forward. I would submit that an overturn rate, or an award rate, at the Board of Veteran Appeals, or through the Court of Veteran Appeals say that there were some mistakes made.

Now, there are disagreements. I have had very good rating specialists that I have great respect for, who I have disagreed with. I look forward sometimes, if I may, to their overturning cases because I know I am going to be in for a real good fight. Frankly, I enjoy my job quite a lot. I like a good fight and I like to match my wits against a good quality rating specialist that's done his job well.

Some of these I can't say that for. I know that I am going to appeal as soon as I see the name on the rating decision, and I know that I am going to win at the Board of Veteran Appeals. This really needs to be stopped because these are people. These are people that we are dealing with that have pain and suffering, as you heard from Mr. Herres. His hands are all gnarled. We have been trying for almost 5 years to get the VA to do one simple thing, look at his hands. How can you not look at his fingers and see them gnarled, and not know that he's disabled as a result of that. We even sent them colored pictures, and they failed to do it.

Three years ago, when we started this thing, I sent a very detailed memo to the Chief Service Center Manager. I believe it was Carrie Witty. With the whole idea of "just take a second look at this, just read the file." They didn't do it, and so we ended up in appeal. This has to change.

Again, there's so many very, very good people at the Chicago office that do a great job, but these few slip through and they have a tremendous impact on the veteran community. Thank you.

[The prepared statement of Alan J. Lynch follows:]

PREPARED STATEMENT OF ALAN J. LYNCH, CHIEF SERVICE REPRESENTATIVE, VIETNAM VETERANS OF AMERICA, CHICAGO, IL

I am Allen J. Lynch, Chief Service Representative for the Vietnam Veterans of America Illinois State Council I am also the Chief, Veteran Rights Bureau, Office of Illinois Attorney General, Lisa Madigan. I have been working in the area of veteran affairs since 1970 when I started with the VA as a Veterans Benefits Counselor. I left that position in 1979 to become the Chief Ambulatory Care at the North Chicago VA Medical Center. In 1980 I became the Executive Director of the Vietnam Veterans Leadership Program. Then in 1985 I became the Chief of the Veteran

Rights Bureau under then Attorney General Neil Hartigan I have been the Chief of Veteran Rights bureau since that time.

In 1991 I attended the VVA Service Representative School in Washington, DC and became a VVA Service Representative a few years latter I became the Chief Service Representative for the VVA Illinois State Council. I also assist veterans with appeals as a part of my position within the Attorney General's office. I am allowed to do this because claims before the VA are not adversarial. Since becoming a WA Service Representative I have handled numerous of claims before the VA and the Board of Veteran Appeals. Most of the claims I assist with are already in the appeal process.

Over the last several months the Chicago VA Regional Office has come under fire for its ranking last in the amount paid out to Illinois veterans in the form of compensation benefits. According to the recently released IG report, this ranking is no longer the case and in fact the Chicago office has moved from 44th in 1999 to 23rd in 2004. This is a substantial move in ranking and one in which the Regional Office should be proud of achieving. The Regional Office has also moved up in the accuracy of the claims it processes—again a great achievement and one that the staff of the Regional Office should be proud of achieving. It is therefore a disservice to those who have worked so hard to achieve these goals to be lumped in with those few still within the Chicago Office who work at a substandard level.

Make no mistake there are still problems that need to be addressed within the Chicago VA Regional Office. As a Veterans Service Representative for VVA and in my position with the Illinois Attorney General's Office I am well aware of the fact that there are still those Rating Specialists within the Regional Office who consistently persist in disobeying the law and its intent as written by you in the Congress and further codified by the VA in the Code of Federal Regulations. The best indication of how the VA is to govern its laws and regulations is found at 38 CFR Sec. 3.102 Reasonable doubt which states in pertinent part.

It is the defined and consistently applied policy of the Department of Veterans' Affairs to administer the law under a broad interpretation, consistent, however, with the facts shown in every case. When, after careful consideration of all procurable and assembled data, a reasonable doubt arises regarding service origin, the degree of disability, or any other point, such doubt will be resolved in favor of the claimant. (Emphasis added)

Yet there are still a few Rating Specialists who take it upon themselves to disavow the law as you wrote it and as the VA codified it in the CFR and who choose instead to apply the law under their own narrow set of criteria that flies in the face of your and the VA intent.

It is true that most of the employees of the Chicago Regional office are capable, competent and work hard to administer the intent of the law as codified in both the 38 U.S.C. and the 38 C.F.R. However, that does not diminish the negative effect of those few Rating Specialists who do not obey the intent of the law. The impact of just one substandard Rating Specialist can impact thousands of veterans over the course of his/her employment with the VA. If he/she spends 25 years in the VA system rating claims and only rates one thousand claims a year over 25 years he/she would affect twenty-five thousand cases. If the Regional Office has three such raters seventy-five thousand cases would be rated. These are under estimates and do not reflect actual case work but are given as an example of the effect of those few who choose not to obey the law as you wrote it.

PROBLEM DEFINITION

One may think that the Director of the Regional Office is at fault for all the problems that have found their way into the press recently. But upon review of the facts as given in the VA's IG report the Regional Office started to turn the corner in improving its processing of claims under Director Olsen. In point of fact problems within this Regional Office go back well over 20 years and several directors and several administrations both Republican and Democrat.

I believe one of the major causes of the problems in processing claims at this office started several years ago when the Chicago office suffered a drastic reduction if force. As a result of this reduction in force those who were tasked with doing the ancillary work of claims processing, i.e., inputting awards, developmental letters and other such tasks were reduced in number. Under this reduction in force skilled adjudicators and rating specialists were allowed to retire without being replaced. This created an increased burden on an already over burdened system. Recently, I was informed that the reason the Chicago office is consistently understaffed is because of a 16 percent cost-of-living pay differential given in Chicago and other large cities. It seems, as I have been told, that it is just cheaper for the VA to broker

out cases to other Regional Offices than to fully staff cities like Chicago. This "going on the cheap" by this and other administrations has directly affected the ability of the Chicago office to properly develop and adjudicate claims.

This reduction in force should in no way, however take away the affect of the negative attitude of those few rating specialists who persist in taking an arbitrary and capricious view of veteran's claims. Those of us who serve as veteran's advocates know and can name those rating specialists who consistently either "tow ball" ratings or deny claims because of their own narrow view of the law and regulation. It is very disturbing that the Regional Office has persistently allowed these few Rating Specialists to continue in their positions even promoting some into positions of greater responsibility.

The effects of those Rating Specialists who persist in their negative and substandard work greatly affect those whose cases they rate. We must never forget that these cases are after all real veterans who are coming to the VA because they believe they are suffering disabilities that occurred while they were in the military. I believe it is important to relate the effects of poor rating decisions upon those veterans affected. When a veteran's claim is denied inappropriately it directly affects his/her ability to live. One veteran in particular had to wait almost 4 years to finally win an appeal for 100 percent. During that time he lived in a terrible neighborhood. There were gunshots almost every night and he had to sneak down alley ways to go to a local 24-hour store to get food. His PTSD would not allow him to go out during the day so he hid in his basement apartment and would shop for food at 2 o'clock or 3 o'clock in the morning. Upon getting his 100 percent, he was able to move into a better neighborhood and though his PTSD persisted his quality of life improved.

There are many other such stories where the VA has caused veterans undue hardship because of these few substandard Rating Specialists. One man had his fingers crushed in an accident while in the military. Year after year he complained to the VA about his fingers only to have them completely disregard medical evidence that supported his claim. He even sent them colored pictures of his gnarled fingers all to no avail. Most recently he filed a claim for a re-evaluation and a clear and unmistakable error. Only to have his claim again rated by one of the few substandard Rating Specialists who simply "top page" adjudicate and again denied the claim. We now have to go back into the appeal process and spend anywhere from 1 to 3 years in the appeal process on a claim that should have been awarded 20 years ago.

RECOMMENDATION

Rating Specialists must be held individually accountable for inaccurate decisions. A simple system of reviewing for accuracy of the original decision cases that are either remanded or overturned by the Board of Veteran Appeals would be one way to accomplish this review. As much as it is inappropriate to deny veterans compensation and pension benefits because of personal biases it would be just as inappropriate to award veterans who do not qualify for disability. Clearly there must be some system put in place in which both awards and denials are reviewed by an independent third party.

There must also be put in place a system whereby the rankings of the various VA Regional Offices are monitored. Those who have consistently low per capita awards should be reviewed for the appropriateness of their decisions. Conversely those with consistently high per capita awards should also be reviewed for the appropriateness to those decisions.

There also need to be put in place a system that establishes continuity for awards/denials. Where decisions in a court are based upon precedent, decisions within the VA many times are not based upon anything except the individual Rating Specialist's interpretation of law and regulation. This is especially true in rating disabilities where judgment is needed.

Finally the VA Regional Offices in major metropolitan areas need to be fully staffed. The VA's attempt to short change those veterans in States with major metropolitan areas by under staffing those Regional Offices is a travesty and must be changed. Only when Regional Offices are properly staffed will we see an increase in productivity and effectiveness.

CLOSING

The Chicago Regional Office has come a long way in correcting how it rates claims. I strongly suggest however that it continues to weed out those substandard employees who persist in disobeying VA law and regulation. I further call upon the Congress to force the VA to properly staff the Chicago Regional Office and for that matter all Regional Offices that are in major metropolitan areas. Veterans in these

States should not be short changed because of a cost-of-living differential. Finally, I commend the Chicago Regional Office for all the positive steps taken to improve its productivity and encourage it to continue to improve its service to veterans.

Senator OBAMA. Thank you very much for that terrific testimony.

Next we have Mr. Ronald Aument. Did I pronounce that correctly?

Mr. AUMENT. Yes, sir.

Senator OBAMA. Mr. Aument is the VA Deputy Under Secretary for Benefits. Mike Olson, Director of the Chicago VA Regional Office, is accompanying him. My understanding is, Mr. Aument, you're going to provide the testimony. Mr. Olson will be available here for questions, along with yourself, when we get to questions. Is that correct?

Mr. AUMENT. That's correct.

Senator OBAMA. OK. Please proceed.

STATEMENT OF RONALD AUMENT, VA DEPUTY UNDER SECRETARY FOR BENEFITS; ACCOMPANIED BY MICHAEL OLSON, DIRECTOR, CHICAGO VETERANS ADMINISTRATION REGIONAL OFFICE

Mr. AUMENT. Thank you, Senator Obama, Senator Durbin. Thank you for the opportunity to talk with you today about a critical benefit for veterans, disability compensation.

This morning I will discuss the issue of pay disparities for disability compensation benefits, and the ongoing initiatives of the Department of Veterans' Affairs to ensure consistency in disability rating decisions. I will also provide an overview of our efforts to support returning service members and their families.

Consistency in disability evaluations and payments to veterans has become a very visible concern in recent months. When the issue of consistency was first raised, the Secretary asked the Inspector General to review and evaluate the factors that contribute to State variances in VA disability compensation payments. The Inspector General published its review report on May 19, 2005, citing a number of intervening factors that influence variances in disability compensation payments.

Several recommendations were included to address the variance in disability compensation payments. Veterans Benefits Administration concurs in the recommendations and has efforts underway to implement those recommendations.

Considerable attention has been focused on the Chicago Regional Office, its low average disability compensation payment per veteran. However, when measured on an annual basis, average payments on cases they cited in recent years have increased, placing them above the national average, from years 2003, 2004 and this year to date.

Chicago Regional Office management has worked hard over the past several years to improve the office's performance. These changes began with the reinforced cultural attitude, emphasizing granting benefits whenever possible. Aggressive steps were taken to improve rating quality through increased training efforts, routine local reviews, and regular feedback to decisionmakers. The results of those actions are evidenced by the increased average dis-

ability payments achieved over the past 5 years, as well as marketed improvements in the quality of the work.

Concern has been expressed that the staffing of the Chicago Regional Office may not be sufficient to handle a significant increase in claims, and that VA may not be able to provide timely service to transitioning service members returning from Operations Iraqi Freedom and Enduring Freedom. VBA is addressing the staffing needs in Chicago through the assignment of permanent and temporary staff.

As mentioned earlier, Chicago Regional Office has recently hired five new staff members. Only this past week we have given them additional authority to hire seven more staff members. We will continue to monitor Chicago's workload demands and staffing levels to ensure that it is staffed appropriately in consistency within available resources.

To augment Chicago's claims adjudication staff, VBA has assembled a team of five seasoned veterans service representatives, all of whom are skilled in claims development. The team members are focused specifically on processing claims from veterans who have submitted new disability claims or reopened their claims, as a result of the recent attention on the variance issue.

The Chicago Regional Office's commitment is evidenced by their efforts to improve performance and partner with State and local organizations. While there are many improvements to be made, we need to recognize the positive steps that have been made to ensure quality services are provided to Illinois veterans.

On June 8, 2005, VBA leadership and Chicago management met with Mr. Eric Schuller, who is senior policy advisor to Lieutenant Governor Pat Quinn, which resulted in development of a pilot effort to provide alternate services to veterans at the Illinois Department of Veterans' Affairs office in Springfield, Illinois. This effort will enable us to provide increased direct service to veterans in that part of the State.

In conjunction with the pilot, the Chicago Regional Office will provide training to representatives from local service organization posts who assist veterans with benefit claims. The goal is to increase the knowledge of these community-based representatives, who are widely dispersed throughout the State, so that they can be more effective in their claims assistance efforts.

Concurrent with our focus on consistency, VA is working hard to ensure that military members have a seamless transition from active duty to VA's benefits and health care systems. VA employees provide services at 140 military bases, where they can meet with and counsel service members about their VA benefits, and assist them to file for those benefits as they approach discharge.

VA has professional staff at the Walter Reed Army Medical Center, the National Naval Medical Center in Bethesda, the Landstuhl Army Medical Center in Germany, and other key military medical facilities, to ensure that our wounded service members are aware of their VA health care and benefits long before they are discharged. We have implemented case management procedures for seriously disabled service members of Operations Enduring and Iraqi Freedom, to ease their transition to veteran status, and ensure the coordinated delivery of benefits and services. Every re-

gional office and medical center has a designated OIF/OEF coordinator who reaches out to and communicates with injured service members, ensures that their health needs are met and their benefits claims are processed expeditiously.

The VA strives to honor each new veteran and their family with compassion and dignity. Our challenge is to ensure that all regional offices are generating consistently accurate and timely decisions that provide the maximum benefits to which veterans are entitled. Thank you, Senators.

[The prepared statement of Ronald Aument follows:]

PREPARED STATEMENT OF RONALD AUMENT, VA DEPUTY UNDER SECRETARY FOR BENEFITS

Senator Obama thank you for the opportunity to talk with you today about a critical benefit for veterans—disability compensation.

This morning I will discuss the issue of pay disparities for disability compensation benefits and the ongoing initiatives of the Department of Veterans' Affairs (VA) to ensure consistency in disability rating decisions. I will also provide an overview of our efforts to support returning service members and their families.

REVIEW OF STATE VARIANCES IN VA DISABILITY COMPENSATION PAYMENTS

Consistency in disability evaluations and payments to veterans has become a very visible concern in recent months. When the issue of consistency was first raised, the Secretary asked the Inspector General (IG) to review and evaluate the factors that contribute to State variances in VA disability compensation payments.

The IG published its review report on May 19, 2005, citing a number of complex and intervening factors that influence variances in disability compensation payments. Several recommendations were included to address the variance in disability compensation payments. VBA concurs in the recommendations and has efforts underway to implement them.

IMPROVEMENTS UNDERWAY AT THE CHICAGO REGIONAL OFFICE

Considerable attention has been focused on the Chicago Regional Office's low average annual disability compensation payment per veteran. However, when measured on an annual basis, average payments to veterans in Illinois increased, development of a pilot effort to provide itinerant outreach services to veterans at IDVA's offices in Springfield. This effort will enable us to provide increased direct service to veterans in that part of the State.

In conjunction with the pilot, the Chicago RD will provide training to representatives from local service organization posts who assist veterans with benefit claims. The goal is to increase the knowledge of these community-based representatives who are widely dispersed throughout the State so they can be more effective in their outreach and assistance efforts.

ACHIEVING CONSISTENCY ACROSS VBA

Quality and consistency are goals that have been at the center of VBA's efforts for the past 3 years. Achieving consistency and quality in our regional office operations ensures veterans in every State receive the benefits and service they have earned. Critical to our success is our standardized work management model for claims processing. Under the Claims Processing Improvement Model, veterans service center employees in every regional office are aligned into specialized teams designed to expedite claims processing, increase the quality of decisionmaking, and ensure staff expertise.

Training, both for new employees and to raise the skill levels of the more experienced staff, is obviously key to consistency in our rating decisions. VBA deployed new training tools and centralized training programs that support greater consistency. Training materials and satellite broadcasts on the proper approach to rating complex issues have been provided to every field station. Regulations that contain the Schedule for Rating Disabilities have been revised to eliminate ambiguous rating criteria and replace them with objective rating criteria wherever possible.

Accuracy is monitored through VBA's Systematic Technical Accuracy Review (STAR)—a centralized program that measures national accuracy using statistically valid sampling. STAR findings are distributed to field stations and shared with

training staff for incorporation into computer-based training modules, and other training tools.

Regional office operations are monitored continually to identify areas where quality improvements can be made and processing efficiencies can be realized. Site visits are conducted on a regular basis to assess station management, operating performance, training, and workload management. Training is provided by the site visit team as needed.

OEFIOIF VETERANS

Concurrent with our focus on consistency, VA is working hard to ensure that military members have a "seamless transition" from active duty to VA's benefits and health care systems. VA employees provide services at 140 military bases, where they meet with and counsel service members about their VA benefits and how to file for those benefits as they approach discharge. VA has professional staff at the Walter Reed Army Medical Center, the National Naval Medical Center at Bethesda, the Landstuhl Army Medical Center in Germany, and other key military medical facilities to ensure our wounded service members are aware of their VA health care and benefits long before they are discharged.

We have implemented case management procedures for seriously disabled service members of Operations Enduring Freedom and Iraqi Freedom (OEFIOIF) to ease their transition to veteran status and ensure the coordinated delivery of benefits and services. Every regional office and medical center has a designated OEFIOIF coordinator who reaches out to and communicates with injured service members, and ensures their health needs are met and their benefit claims are processed expeditiously.

CONCLUSION

VA strives to honor each new veteran and their family with compassion and dignity. Our challenge is to ensure that all regional offices are generating consistently accurate and timely decisions that provide the maximum benefits to which veterans are entitled.

Senator OBAMA. Thank you very much.

Our final witness on this panel is Ms. Rochelle Crump, who's the Assistant Director of the Illinois Department of Veterans' Affairs.

Just for those witnesses who aren't familiar with how our veterans offices are structured, the Illinois Department of Veterans' Affairs is a State agency dealing with veterans, and so is separate and apart from the Veterans Administration, which is a Federal agency.

Ms. Crump.

STATEMENT OF ROCHELLE CRUMP, ASSISTANT DIRECTOR, ILLINOIS DEPARTMENT OF VETERANS AFFAIRS

Ms. CRUMP. Yes. Good morning, Senator Obama and Senator Durbin. I, too, would like to take this opportunity to thank you for holding this hearing today.

In my opinion, there has been significant improvement within the Department of Veterans' Affairs Regional Office, and certainly I applaud the VA's willingness to look at cases and make corrective decisions by stature of law. However, I am very disappointed that it appears veterans are still having to fight to get their benefits that they so duly deserve, for benefits that they have not been awarded for the service that they contributed to America.

The Department of Veterans' Affairs is still denying cases individually by statute of human error or by resistance to pay claims. Certainly, I would be one to just say that over the years we have seen the increase in responsibility taken by the VA to do better, but we still are not where we should be.

Different cases I could bring to you, and I will bring those up, just to give you a scenario of two. A Gulf War veteran, who served from 1985 to 1998, 1 year 2 months and 28 days, discharged honorably, filed for compensation. His service medical records indicated that he had minor surgery in service for the disability in which he was claiming. He was denied because there was no current medical evidence, and the VA never examined him, which would have made his actual case prevalent to what he was actually claiming for.

Another one was a homeless veteran who was denied benefits. He reopened his claim for post-traumatic stress disorder, and they indicated there was no new evidence. However, there was a doctoring statement from Hines Hospital indicating that the veteran was unable to work because of his post-traumatic stress disorder. He was denied benefits because they said there was no new evidence. However, the VA did not prosecute duty to assist by asking if there were any other medical records or treatment, what type of treatment he was currently under, and there was just no consistency in trying to help that veteran.

Overall, I just really think that we still have a lot of work to do to help our veterans. Hopefully, over the weekend, the Governor's initiative to host a supermarket of veterans benefits on Saturday at Navy Pier would allow veterans to come out and be better informed about how they can get assistance through representatives.

That's what I am hoping to do, and I just thank you for what you're doing for Illinois veterans.

Senator OBAMA. Thank you very much, Ms. Crump.

The way we will proceed, I will ask about 5 minutes worth of questions. I will turn it over to Senator Durbin for 5 minutes of questions from him. Then we'll just keep on going no longer than I would say about 15 minutes before we see the next panel. If people can keep their responses relatively succinct, I will try to keep my questions relatively succinct.

Let me just start with you, Mr. Herres, because I want to make sure that I am clear on exactly what happened to you, as just as an example of some of the problems that we are experiencing.

From your testimony, my understanding is you have been dealing with the VA system now for over 20 years, is that correct?

Mr. HERRES. That's correct.

Senator OBAMA. Your first claim was filed in 1980?

Mr. HERRES. Yes, I first filed in 1980. I was awarded a disability for my knee and nothing for my hands at that time.

Senator OBAMA. OK.

Mr. HERRES. In 1981, I was called back for re-evaluation. The gentleman that I had seen, I am not sure at this time, I believe he was a doctor, said, the exam went like this: He says, let me see your hands. He looked at my hands and says, "I don't see any arthritis." He says, "walk," and he says, "I don't see anything wrong with your knee." He asked me where I worked, I told him. He says, "You have good insurance." He says, "Don't come back, I don't see anything wrong with you." Shortly after, my disability for the 10 percent was discontinued.

Senator OBAMA. So, you had originally been awarded the 10 percent disability?

Mr. HERRES. Yes, sir.

Senator OBAMA. After this examination in 1981, your 10 percent was eliminated?

Mr. HERRES. Yes, sir.

Senator OBAMA. And, subsequently, you spent the rest of this time trying to get that disability re-instated?

Mr. HERRES. I have been going to civilian doctors and just dealing with it on my own. At the urging of my wife, she says, "Well, why don't you see if you can have something done," and that's when I contacted Senator Durbin's office in 2001.

Senator OBAMA. OK. Senator Durbin's office in 2001, what kind of assistance did they provide you?

Mr. HERRES. They eventually contacted the VA on my case. Mr. Michael Vernon was there. through the liaison, Mr. Hines, the VA insisted that I never received anything from them in any form of disability.

I had to prove this on my own, using my Form 15 U.S. Civil Service Commission Claim 10 Point Veterans Preference, which had my file number on it and my place of employment. Still Mr. Hines refused to acknowledge that I ever did have a claim with the VA. Yet, when I contacted Ms. Mambrido at Hines, all she had to do was punch in my service number, my social security number, and my entire file came up.

Senator OBAMA. OK. At that point it was established that you had been awarded the claim?

Mr. HERRES. Yes.

Senator OBAMA. That it had been discontinued, and is this the point where Mr. Lynch then gets involved?

Mr. HERRES. I contacted Mr. Lynch in August of 2002. Mr. Lynch advised me to see an outside orthopedic surgeon, which I did.

Senator OBAMA. Subsequent to that, with Mr. Lynch's assistance, you were then able, finally, to get recognition of your disability and a disability claim recognized?

Mr. HERRES. Only on my knee. Finally, after years of going back to the VA where they were supposed to look at the crush wounds, they never did. Finally we appealed to Washington, DC., who sent it back on remand. Still, they have not acknowledged it.

Senator OBAMA. At this point you still have no acknowledgment from the VA that you have a service-related injury to your hands?

Mr. HERRES. Correct.

Senator OBAMA. OK. Mr. Lynch, you raised a couple of points that I felt were interesting, so let me take them one at a time.

The first was, your feeling just based on your regular actions with the Chicago Regional Office, that the Chicago Regional Office up until perhaps this year, and the dust up surrounding this disability payments issue, has been understaffed, is that correct?

Mr. LYNCH. Absolutely. Since the RIF.

Senator OBAMA. Right. One of the justifications, at least, that you've heard, it sounds like, for the reason that we are understaffed relative to some other regional offices is the fact that the Chicago cost-of-living is higher, and as a consequence, a set amount of money goes to hire fewer rating specialists here in the Chicago Regional Office, is that correct?

Mr. LYNCH. Absolutely, it's cheaper.

Senator OBAMA. I would assume then, that, in fact, the regional offices are getting a flat amount of money? There are no accommodations for the fact that the cost-of-living might be higher in a place like Chicago, and so the Chicago Regional Office might need to get a slightly higher allocation to accommodate that, so that you would have the same number of rating specialists per veteran as you would in any other region in the country, is that correct?

Mr. LYNCH. Well, what I was led to believe, it was not just the number of rating specialists, but it's the person that inputs the awards. Let me give you an example. Years ago, when a veteran would be awarded, it would be about 15 days and he would get an award letter and very quickly after that a check. We now have a waiting period in some of our veterans of up to 30 days, 60 days. One we had that was 90 days after the award was issued. That's absurd.

Senator OBAMA. Right.

Mr. LYNCH. You see the problem is, once the award's made, it has to be inputted into a computer. Somebody has to do that. Somebody has to do the development of the case. They have to send out letters and get other information. If you don't have people to do that, that falls on the rating specialist who's already overburdened in trying to rate the case and develop medical evidence and so on.

You have a system where, you used to be able to send something to an adjudicator or a clerk typist or whatever, to get it done. Now it's being done by the rating specialist. There's an overburden on them. Those that are not up to the task, just find it easier to not do the job properly.

Senator OBAMA. Of course, my understanding is, well, one example that you just used is the waiting period in terms of getting checks after an award has been made. But we are also seeing, from your experience, significant wait times just in terms of having a claim processed in the first place.

Mr. LYNCH. I had a case the other day, and I went up and talked to somebody about it because I had not yet got a Statement of Case, and it was almost a year old. I just happened to have come across it in one of my file reviews that I do, and I am like, well, where's the Statement of Case. I went up and talked to the individual, he says, "Well, it takes about almost 300 days to get one out now." I don't know how true that is, but that's what this person told me.

Senator OBAMA. What do you think would be a fair amount of time, given your knowledge of the system, to process something like a Statement of Case?

Mr. LYNCH. A Statement of Case should come within 60 to 90 days, unless there's some more development that needs to be done. It's not that hard to do, unless if you have to go out and get more medical evidence and develop it and so on. Then, you do have to do that. But to just act on a Notice of Disagreement, if it's a flat Notice of Disagreement, you issue a Statement of Case.

Senator OBAMA. Right. What should take 2 to 3 months is taking potentially up to a year.

Just a couple of other questions. It struck me, based on your testimony, that there are clearly some rating specialists who advo-

cates like yourself know are not doing the right thing by the veterans. That there are ones who are begrudging, in terms of acknowledging disabilities, and more importantly, who objectively are overturned again and again at much higher rates on appeal. Am I correct in saying that?

Mr. LYNCH. That's been my experience. Yes, sir.

Senator OBAMA. OK. It is my understanding that rather than seeing the Chicago Regional Office correct, retrain, or in some way temper the amount of damage that these poor rating specialists can do, instead they have been promoted in some cases. They have gotten more caseloads. As a consequence, more veterans are adversely affected by their poor decisionmaking.

Mr. LYNCH. Exactly.

Senator OBAMA. Is this something that you and other advocates have brought up to the Chicago Regional Office?

Mr. LYNCH. Just hallway conversations, you know. We talk amongst ourselves occasionally, and then the same names keep popping up.

I am sure the Regional Office has been made aware of that but, you know, again, they are still there.

Senator OBAMA. Mr. Aument and Mr. Olson, if you want to chime in, feel free to do so.

Let's just start with that issue. It strikes me that, at least among advocates, there is a sense that there are some rating specialists that just aren't doing the job. It appears that there's also some objective way of measuring whether that's the case by reviewing the number of their cases that are overturned on appeal. Am I correct about that?

Mr. AUMENT. Let me leave the discussion of the specifics on Chicago, of course, to Mr. Olson. But I will say that we do have national quality control systems in place that are designed to bring more national level consistency, both at the regional office and the individual level.

In some cases, though, it's a centrally managed and conducted quality review, a system that uses sample cases throughout the country. I will say that it gives us a very good insight into the quality of the work product from any particular office, but it is not an adequate sample size to be able to evaluate individual raters.

Being able to do that that finely, hone in on that, there's where we have to rely largely upon the management at the local level to be looking at the quality of the individuals working in their office. With that, I will turn to Mr. Olson.

Senator OBAMA. Mr. Olson, what about Mr. Lynch's assessment? And by the way, this is not something that I have heard simply from Mr. Lynch. I have heard before that the Chicago Regional Office may have rating specialists who seem to be repeatedly overturned on appeal. These raters seem to be extraordinarily stingy when it comes to awarding of benefits. The awarding of benefits, as Mr. Lynch indicated, should be viewed in the broadest possible terms as opposed to the narrowest possible terms. But, from what I have heard, it doesn't appear as if there's any accountability or mechanisms whereby those rating specialists who appear to be a problem are retrained or shifted from their position. I am wondering if that's something that you want to comment on.

Mr. OLSON. Let me say that I respectfully disagree with Mr. Lynch on specifics. Let me tell you what we have done to improve the quality of the decisionmaking within the Chicago Regional Office.

We have assigned two of our best individuals to review cases as they are completed, before they are promulgated, to assure that they are done correctly and accurately. If not, the immediate feedback is given to the decisionmaker and corrections are made, if necessary.

I will say that within the last couple of years we have improved our quality 19 points, from a quality level of 72, which we were not at all proud of, to a quality level of 90 percent right now. Twelfth best in the country, in terms of the quality of decisionmaking within the rating scheme. It's a subjective interpretation of the law in many cases.

Senator OBAMA. Let me interrupt you there, just real quick.

What I am hearing, I guess, is that there may be certain experienced raters who are repeatedly overturned on appeal. If somebody has an appeal rate of 60 or 70 percent, that would indicate potentially that there's some significant problems there, would it not?

Mr. OLSON. Let me say that none of the service officers have come to me and said you have a problem with X Rater.

Nobody has come to me and said Mr. Jones is consistently overturned on VBA's.

Senator OBAMA. But that's not surprising, right? I mean the service officers are going to be appearing before these same rating specialists. They are not going to complain to you in a way that might leave them or, more importantly, their clients open to retaliation.

The question is, Is there some sort of internal mechanism within the office that's reviewing and saying, "You know what, it looks like this guy is repeatedly overturned, and that indicates a problem, and let me investigate why that's taking place"?

Mr. OLSON. We aren't finding that. We aren't finding individuals consistently overturned. I will talk with Al Lynch. I will talk with the other service officers and ask for specifics, if they have specifics.

Senator OBAMA. Are those records kept and available for public review, the degree to which particular specialists may be seeing their cases appealed, and then overturned on appeal? I am assuming that those records, you must keep them, right?

Mr. OLSON. I don't believe we have those stratified by that way.

Senator OBAMA. You don't keep them that way?

Mr. OLSON. No.

Senator OBAMA. Is there a reason why that would be the case? I mean, we are in a judge's chamber. I know that the judge is here. Lifetime appointee Federal judges, there are statistics that are kept as to whether or not a judge is repeatedly overturned on appeal. There's a chief judge who's going to be monitoring that to ensure that at some level there's consistency in decisionmaking, and there are no problems with a particular judge. Why wouldn't we do that with a rating specialist?

Mr. AUMENT. Possibly I can answer that, Senator.

As I mentioned before, we do tend to keep the statistics on a national level as far as the office performance. Probably less with respect to the instances in which they are overturned, because the Board of Veterans Appeals, when they are looking at cases, they look at them *de novo*. The cases that come to them, almost invariably will contain evidence that was not looked at by the regional office when they originally made their decision.

But one of the things we look at very, very carefully are the instances in which a case has been remanded back to the regional office, often for inadequate development purposes. The fact is that we find that in many cases to be more troubling, if we believe that the regional office has not done a good job in developing the case. We tend to look at that pretty carefully.

Senator OBAMA. Fair enough. One last question, and then I will turn it over.

There has been obviously some significant discussion about this discrepancy between disability claims here in Illinois versus other States. Secretary Nicholson has been responsive. We appreciate his response, and your office's response. My understanding is you've already hired five additional rating specialists and, perhaps I heard correctly that today you're going to hire an additional seven, assuming——

Mr. AUMENT. Actually we hired six more already, sir. We plan to hire six more. We have given them authority to hire six more.

Senator OBAMA. Potentially we have got 12 new rating specialists, and that should help us. I am concerned about how we are dealing with not only current claims and, Mr. Olson, it's clear that there has been improvement. I think everybody acknowledges there's been improvement in the Chicago office on this front, and we are not saying Illinois ranking fiftieth in new claims. We are now in the middle of the pack, maybe even a little bit above that, and that's terrific.

But one of the concerns that I have is what's happening with somebody like Mr. Herres, and my understanding is, that there may be a distinction between reviewing cases and reopening cases. That in one circumstance, somebody like Mr. Herres has to go through the entire process that he's already endured, all over again. I still don't understand why no one has just not looked at his hands.

In contrast, in a review a veteran could come in some expedited fashion, have that file reviewed, and get prompter action. I am wondering if you can speak to me a little bit about whether given these additional resources, we are going to be able to deal not only with new claims in a more effective fashion, but whether we are also going to be able to look back at people like Mr. Herres who may have been dealt with unfairly, to assure that they are not having to wait another 20 years to get their claims adjudicated.

Mr. OLSON. Let me say that those people who have come to us and asked for a review of their claim, we have made personal contact with them to get specific information about where they have a disagreement or where their disability has increased in severity. So that we have a basis on which to further develop that claim and help that veteran provide us evidence that will allow us to further grant benefits.

Senator OBAMA. How are we reaching out to those veterans? How do they know to get in contact with you, that this may be available?

Mr. OLSON. Mr. Aument mentioned the outreach effort that we have with the Illinois Department of Veterans' Affairs. We have regular meetings with the VSO's asking them to outreach to their folks.

A number of people have come to the service officers in our building, asking that their files be reviewed, and the service officers are working with them to make sure that the benefits that are appropriate have been granted. If there's an increase in disability, they help them file a claim for an increase in disability. We are working closely with the service officers to attempt to reach as many people as we can.

Senator OBAMA. I am still not clear about the distinction between a review and a reopening of a case, and how those decisions are made. My understanding is there is a difference. I may be mistaken about that. One could conceivably take much longer than the other, or is this a distinction that doesn't exist?

Mr. AUMENT. I am not sure that is a distinction, Senator.

A reopened case, is a characterization of a case in which the veteran has come to us either telling us that their condition has worsened or asking that their case be reviewed, because their evidence may not have been adequately considered when it had been looked at previously. Roughly two-thirds of the workload that we see coming to us consists of re-opened cases. You know, we expect this year to receive around 800,000 claims nationally. The statistics on those are that roughly two-thirds of those will consist of re-opened claims.

Review, of course, then, is the process that takes place once we have actually received the request from the veteran, that their claim be reviewed.

Senator OBAMA. I would like us to see what we can do with respect to Mr. Herres. He's been waiting a long time. My hope would be that, if nothing else came out of this hearing, that at least he would get some sort of prompt attention.

Let me turn it over to Senator Durbin. I appreciate my senior Senator's patience.

Senator DURBIN. Thank you very much.

Mr. Herres, when you came to my office, Michael Vernon helped you?

Mr. HERRES. Yes, sir.

Senator DURBIN. Michael Vernon has since left my office, graduated from the University of Illinois Law School, and passed the bar exam. And you're still looking for help from the VA.

Do you have any idea how much time has been involved since you first contacted our office? I thank you for your persistence, and I am glad you're here today to tell your story because it really puts a face on a lot of statistics and a lot of anecdotes. Thank you for your service to our country, as well.

Thanks to Al Lynch, because we know from the Inspector General's report that if veterans like Mr. Herres walked into the VA alone, they are not as likely to be successful. I have forgotten the exact number, was it 50 percent?

Mr. LYNCH. Fifty percent.

Senator DURBIN. Fifty percent difference if they have an advocate by their side like yourself. They do much better than if they go in alone, which is a sad commentary on the Veterans Administration. Because I think the quote that you'd made from the law makes it clear that this is supposed to be an agency that broadly interprets the law to help the veteran. It's supposed to be erring on the side of the veteran. It certainly didn't do that with Mr. Herres, and I think you see a number of cases along these lines from what you've testified.

Now, it's not in your written testimony, but you spoke about the frequency of reversing on appeal, and I would move the figure 60, 70 percent. Now, you've made it very clear and we should make it very clear that the majority of people working at the VA are not the problem. They are doing a good job and working hard under difficult circumstances. But there are some who you suggest are consistently overruled on appeal. Can you tell me again what that number was, so it's clear in the record?

Mr. LYNCH. The last figure I got, that it was, and I am not going to give an exact one because I am not really sure of it, but I know it's over 60 percent of the cases that go to the Board of Veteran Appeals. They are either remanded or overturned by the BVA.

Senator DURBIN. And what does that tell us? Does it tell us that there are rating specialists who don't get it right?

Mr. LYNCH. It tells me as a veteran's advocate, if I get a remand, and many times, and, again, I am only speaking from my own personal experience. As an example, I will let a rating specialist know through a memorandum or letter, what have you, from the veteran that, you know, he was not seen by a doctor, it was a physician's assistant, and ask for re-examination. Sometimes that doesn't happen.

A physician's assistant, nursing assistants cannot make medical opinion. They can examine things as far as range and motion, but they can't opinion as to what causes things to happen. When I get an opinion from one of those, I usually let the rating specialist know that you can't base the rating, the decision on an opinion of a nurse practitioner or a physician's assistant.

A lot of times I will have a memorandum go forward where an examination is over a year old, in a case like of a Notice of Disagreement or an appeal that is languished at the regional office for an extremely long period of time. Ask for a new one. Many times those are ignored. It just varies case by case. Sometimes there's new evidence that gets ignored.

Senator DURBIN. We'll go to the point Senator Obama raised. Is it well known which rating specialist or particularly hardened veterans that have a higher incidence of overturn on an appeal?

Mr. LYNCH. I think if you would ask any service officer within the Chicago office and, off the record, informally, who they were, I think you would probably find the same names consistently come up.

Senator DURBIN. Are we talking about 5 people, 10 people, more?

Mr. LYNCH. I think it's probably more around four, five, or six people that are consistently marginal. We all have our favorites that we disagree with.

Senator DURBIN. Out of how many? Out of a pool of how many?

Mr. LYNCH. I really don't know how many rating specialists they have right now.

Senator DURBIN. Mr. Olson, how many do you have?

Mr. OLSON. Thirty-five.

Senator DURBIN. There are four or five that would say, as an advocate, you take care to try to avoid? It's like picking the wrong judge.

Mr. LYNCH. Well, it's done by terminal digit of a number, so if they happen to fall into this person's lot, I know that I am going to have a rough time with the case. It's just automatic. I know if I get this certain rating specialist, or whoever, that we are probably going to end up in appeal because——

Senator DURBIN. Mr. Olson, you're not aware of this phenomenon at all? That there are several of your specialists who are giving the veterans and the advocates a tougher time and having a higher rate of being overturned in appeal? You're not familiar with this?

Mr. OLSON. I am not aware of any data that shows us that a specific rating specialist, or rating VSR, has been consistently overturned by the Board of Veterans Appeals.

Senator DURBIN. We are at a disconnect between you and Mr. Lynch. It sounds like you're working with two different offices here. I don't understand why there wouldn't be more of a dialog and communication between the VA and the veterans advocates, so that there's at least some conversation that leads to this statement of the law that says we are on the side of the veteran together. It isn't an adversarial situation. We are on the side of the veteran together here.

Mr. OLSON. Yes, we are.

Senator DURBIN. But it seems like there's some dialog missing here, some conversation missing.

Mr. OLSON. I would say that we have regular monthly meetings with service officers where we can bring up any issue that we want to on the VA side. Service officers can bring up any issue they want.

Mike Stephens, our service center manager, has an open door policy, and service officers regularly come to him on individual cases where there is a difference of opinion between a service officer and rating specialist. Mike will sit down and talk with the service officer. Mike will sit down with the service officer and the rating specialist to come to an understanding. Sometimes that is an agreement to disagree, like any other decision that involves some judgment.

People have not come to me, not one single veteran service officer has come to me and said Mr. Jones, Rating Specialist Mr. Jones consistently is overturned by VBA and I consistently have arguments with Rating Specialist Mr. Jones. That has not happened.

Senator DURBIN. First thing, going back to Senator Obama's question, the first point about whether they are consistently overturned would seem to be something that you ought to know already. That should be a matter of record, shouldn't it? If one of your rating specialists is consistently overturned?

Mr. OLSON. I would say that I am not aware of it. I am not aware of any of our rating specialists being consistently over-

turned. I would think if that happens I should be aware of it. Because it's stated doesn't make it a fact.

Senator DURBIN. Well, Mr. Lynch, would you like to respond?

Mr. LYNCH. There's one simple way to prove whether it's right or wrong and it's really, I would think, very easy to do. Every rating specialist is assigned a certain number of cases by terminal digit. If you can track it on the gross, why can't you track it on an individual? You have a rating specialist that signs off on a case, and it goes forward to the Board of Veteran Appeals. How hard is it to track what happens to that particular case?

We have computers. You plug it in. You work up a data base. If it comes back on a remand, it would pop up that Rating Specialist Jones handled this case. A certain person in the ACT team handled it next, and a certain other person, a DRO handled it after that. It still was overturned.

Senator DURBIN. Mr. Olson, that doesn't sound unreasonable. That doesn't sound unreasonable.

Mr. OLSON. Let me say that I will meet with Mr. Lynch this week and talk specifics. I will meet with the other VSO's in the building, talk specifics about what their complaints may be. Try to get some exact numbers and some cases that are representative from their perspective of rating specialists who are not doing their job.

Senator DURBIN. All right.

Mr. OLSON. And we'll develop whatever data we can to——

Senator DURBIN. Let's work on that. I think developing that data would kind of get to the bottom of it.

The last thing I want to say before I turn it back to Senator Obama, Mr. Lynch, you made a point of the deadlines, or at least the timeliness involved in some of these. Like, the Statement of the Case that you thought should take 60 to 90 days and takes almost a year, or 10 months I guess. Three hundred days is what you suggested.

I assume that there are other mileposts along the way evaluating a disability claim, as to how quickly there's response. Now, from the Veterans side, there may be medical information that has to be provided and it takes some time to get the appointment, bring doctors reports together and such.

But what I am getting to is this: You've made a point that you think the RIF, the reductions in force of employees has caused part of this problem. There are not enough people to handle the work at the regional office. Some of it's being farmed out to areas that are cheaper for the VA, because the employees aren't paid as much.

Can we talk about these mileposts and these quality guidelines to determine what is a reasonable time for the Statement of the Case to come forward? And then really hold the VA accountable and say, "Well, how frequently do you miss that? How frequently does it take 10 months instead of 2 months to do a Statement of a Case? Would it be possible for the service organizations, on behalf of the veterans, to tell us where these mileposts are and what they think the time guidelines might be for each one of them?"

Mr. LYNCH. I think it would be reasonable to do that. The problem that we had is under Secretary Principi, he had a certain number of reports that were due. In our office, what we noticed was the

number of denials went up at the end of the quarter when reports were due.

What we have is we have a push to get the job done, and when I push someone, you know, it's the old saying of do you want the job done now or do you want it done right. I would rather have the writing specialist do the job right and get it done properly than to get it done now and we have to spend 2 years in appeal.

Senator DURBIN. So, the speed of the initial, the timing of the initial decision, whatever it might be, Statement of the Case and such, is less of a concern to you?

Mr. LYNCH. Provided they are doing the job properly. I don't want a hurried job.

Senator DURBIN. I see.

Mr. LYNCH. Personally, I don't want a hurried job.

When I go to appeal or when I get a denial, I want to know that every piece of evidence was considered properly.

The law says, in the code of Federal regulations, that you have to consider all the evidence in the entire record. Many times they do what we call top page adjudicating, go down the first couple of inches, look at the last couple decisions, and move on to continue with the denial, as opposed to looking at the whole record. That has to stop.

But, again, you have to understand that you have a rating specialist with 150, 200 cases more that he's got to get through. You've got somebody from Central Office, who has no clue of what they are doing on their desk, how long it takes to process a case, telling them get the job done, get the job done, get the job done, make me look good. You can't overburden people like that.

The other problem is you've got rating specialists that do an excellent job, but there's no incentive for them. They see year after year—I had one guy that retired recently that told me, I don't get any incentives any more. I am at the top of everything I can get. No matter what I do, I am there. There has to be something.

You know, private industry has many incentive ways of helping people to do a better job and encouraging them to do a better job. The government doesn't do that. You have many good people that are very, very frustrated because it's just more and more work, more and more stuff, more and more pressure, more and more get it done, more and more do this, more and more do that, by someone in Washington who's never even seen a claim file.

Senator DURBIN. Mr. Aument, I will just close by saying, I know you're in a delicate position. You're supposed to come and defend the VA budget, hell or high water, and I have heard so many people from various administrations, Democrats and Republicans, in that same position.

But it strikes me that the acknowledgment of Secretary Nicholson of the need for more personnel in this office was not only responsive to our request, but responsive to a real need. I hope that you will listen carefully to Mr. Lynch and others, and go back and take a look as to whether or not there are adequate personnel for the long haul in this office. If you need help on the Senate side, Senator Obama and I will be there to help your agency. Thank you.

Senator OBAMA. Well, thank you very much, Senator Durbin. This panel has been outstanding. I appreciate everybody taking the time.

Just a closing thought for Mr. Aument, as well as Mr. Olson. Many good suggestions have been made here, and I think the Chicago Regional Office should be proactive and not simply reactive, with respect to some of these recommendations.

I appreciate, Mr. Olson, your suggestion that you're going to meet with Mr. Lynch and other service organizations. But it sounded to me just in your posture that you were going to meet with them and have them prove that there's a problem. I guess my suggestion would be that you should see this as an opportunity to improve the management of your office.

If there are people in that office who are not doing outstanding work, and if there are ways of us collecting data to evaluate how the work is getting done, that shouldn't be something that you wait for the VSO's to approach you and prove. That should be something that's incorporated into the day to day management of the system.

It sounds like some of that is being done, Mr. Aument, at the national level, using sampling. It strikes me, though, that the rubber hits the road in the regional office and that there should be some mechanisms whereby those regional offices can evaluate and incentivize good performance at a local level.

Let me just, again, reiterate. I would really like to see somebody speak directly to Mr. Herres and his advocate, to see if after 20-plus years he can get a resolution of his claim.

Thank you very much all of you. Before we move to the next panel, I just want to acknowledge that we are in the chambers of Chief Judge Corcoras, who happened to just walk in. I have to say, Chief Judge, that these chambers are much nicer than the Senate hearing rooms. It's good to know.

Chief Judge KOCORAS. Use them wisely.

Senator OBAMA. Absolutely. Thank you very much.

If we could have the second panel join us?

Senator Obama: OK, thank you very much.

Excuse me. For reporters, if you guys can do me a favor, because we have a second panel, if you can go out in the hall I am sure Mr. Lynch and Mr. Herres and others will be happy to answer your questions.

All right. We have got a second panel that's going to be discussing health care needs of returning veterans.

I should say in advance Senator Durbin's going to have to leave probably midway through some of the testimony. That's not his fault. It's just a scheduling conflict that we have, so we are going to try to be as quick as possible. I won't repeat any opening statements. We'll go straight to you.

Why don't we start with Mr. Joseph Petrosky, who's the Director of Veterans Affairs and Rehabilitation Office with the American Legion.

Mr. Petrosky.

STATEMENT OF JOSEPH PETROSKY, DIRECTOR, VETERANS AFFAIRS AND REHABILITATION OFFICE, THE AMERICAN LEGION

Mr. PETROSKY. Thank you, Senator Obama and Senator Durbin.

The American Legion and the American Legion of Illinois want to thank the Committee for allowing us to comment on the appearance of VA health care for our returning Operation Iraqi Freedom and Enduring Freedom military personnel.

Many of these personnel coming home are expected to be discharged at the end of their tours. Many of our returnees are not active duty, but are members of the Reserve and National Guard. They are veterans by virtue of their Federal service.

Do these Illinois veterans use the Department of Veterans' Affairs medical centers? The Department of Veterans' Affairs states that they are manned and prepared. Some of these facts may show that they are not as prepared for our returning heroes. We need to always remember that we have seen news reports of many of our troops who have been coming home and asking for health care.

These homecoming veterans have already reported to service organizations that they have tried to enroll in the VA health care. The directors of these facilities advise that they welcome these veterans with open arms. They, the medical facility employees, use the VA priority category enrollment system to screen the veterans for their eligibility.

The VA new enrollment veterans who fall in priority eight may be turned away. What happens to the 2-year free health care period by the VA? These veterans are frustrated because they are told that they will be allowed to use the VA care facility for 2 years after returning from service.

There are several factors that were working against these homecoming veterans before they went to war. The VA had several studies to determine how to properly utilize their facilities. These studies started with the general accounting office in the early 1990's, and the last study of the Capital Asset Realignment for Enhanced Services (CARES) Options Study, conducted by Booz-Allen & Hamilton, which was completed in June 2001.

The Booz-Allen & Hamilton executive study stated that the results of the studies are yield and many details are for consideration. One of the things that's important is the enrollment demands projected show that the peak, in about 2004, and that a decline of about 7 percent from today's level, 2000 and 2001. 220,000 enrollees in 2000 versus 203,000 enrolled by 2010. Now, this is before we even went to war. They are looking at a decline of 18 percent in categories one through six.

Some of the characteristics of the studies were Westside, now Jesse Brown VA Medical Center, is to renovate and service as a single inpatient facilities of 177 beds. Lakeside Inpatients are discontinued. The property is sold or used in an enhanced use arrangement. Hines is renovated. New blind center building. SCI renovation. North Chicago's renovated into a DOD Joint VA venture. All four sites providing an extensive array of multi-specialty ambulatory care facilities.

We need to consider health care of our now returning troops. Lakeside is an outpatient clinic for now and operates on just a few

floors. Westside was approved and planned for the total of 177 beds. Construction has not been started as of yet. Hines has a new blind center and spinal cord unit, and ready for homecoming military personnel. The Joint DOD VA venture is operating strongly up in North Chicago.

We must remember the promises we made to our living veterans from all other wars and conflicts. Modern medicine is keeping us alive longer and we are not dying off fast enough to suit Congress. Many older veterans of World War II, Korea, were not sick when they returned from service. They were successful in life, and now they are not entitled to VA health care due to the lengthy procedures of the qualifying VA compensation and pension benefits.

In priority eight, they may make too much money, they may be very successful, but to be enrolled for health care they have to be in one of the higher categories (priority 1–7). In many cases, they are filing service-connected claims just to be able to get in the VA health care.

The American Legion supports mandatory funding of VA health care in the 109th Congress. The American Legion will closely monitor the progress of H.R. 515 in the House of Representatives and Senate bill 331 in the Senate. The Veterans Administration budget is mandatory. Why isn't the Veterans Health Administration treated the same way? Both of these budgets support the same heroes who have gone off to war for this nation.

Remember, after the parades and victory speeches are over, we still have ill and injured veterans trying to continue treatment and rehabilitation into our society. Mr. Chairman, it is disturbing that the homecoming heroes must wait for treatment when the Nation did not wait to send them to war.

The American Legion thanks you for the opportunity to comment on this matter.

[The prepared statement of Joseph Petrosky follows:]

PREPARED STATEMENT OF JOSEPH PETROSKY, DIRECTOR, VETERANS AFFAIRS AND REHABILITATION OFFICE, THE AMERICAN LEGION

Mr. Chairman, the Honorable Senator Barack Obama:

The American Legion and The American Legion Department of Illinois wants to thank the Committee for allowing us to comment on the preparedness of VA health care for our returning Operation Iraqi Freedom and Operation Enduring Freedom military personnel. Many of these personnel coming home are expecting to be discharged at the end of their tours. Many of our returnees are not active duty, but are members of the Reserve and National Guard. They are U.S. veterans by virtue of their Federal service.

Do these Illinois homecoming veterans use the Department of Veterans Affairs Medical Centers? The Department of Veterans' Affairs (VA) stated that they are manned and prepared. Some of these facts may show they are not prepared for our returning heroes. We need to also remember that we have seen news reports of many of our troops who have been coming home and asking for health care.

These homecoming veterans have already reported to Veterans Service organizations that they have tried to enroll in VA health care. The Directors of these medical facilities advised that they welcome these veterans with open arms. Many of the medical facilities employees used VA's Priority Categories Enrollment System to screen these veterans for their eligibility. The VA's new enrollment veterans who fall under Priority 8 veterans were turned away. What happened to the 2-year free health care period that was implemented by the VA? These veterans are frustrated because they were told that they would be allowed to use VA health care for 2 years after returning from service.

There are several factors that were working against these homecoming veterans before they went to war. VA has had several studies to determine how to properly

utilize their facilities. These studies started with General Accounting Office in the early 1990 to the last Capital Asset Realignment for Enhanced Services (CARES) Options Study conducted by Booz-Allen & Hamilton which completed in June 19, 2001.

The Booz-Allen & Hamilton Executive Summary1 states:

The result of these study areas yielded many details for consideration. For the purposes of this summary however, there are three important points. They include:

The enrollment demand projections show a peak in about 2004 and then a decline of about 7 percent from today's level (2000–2001) (220,000 enrolled in 2000 vs. 203,000 enrolled in 2010).

• An 18 percent decline in Categories 1–6 (from 158,173 enrollees to 130,314 enrollees from 2010).

• An 18 percent increase in Category 7 (from 61,877 enrollees to 72,595 enrollees in 2010)

- Categories 1–6 have highest utilization, composing approximately 95 percent of inpatient population.
- VISN-wide approximately 18.5 percent of veterans are enrolled.
- Because many of VISN 12's facilities are old, they do not meet today's design standards for privacy, accessibility, and usability.
- VISN 12 is segmented into three markets based upon population concentration, distance to VA facilities, and other characteristics.

This characteristics study were:

West Side (now Jesse Brown VAMC) is renovated and services as the single inpatient facility for Chicago (177 beds)

Lakeside inpatient services are discontinued. The property is sold or used in an enhanced use arrangement.

• Hines is renovated, new Blinded Rehab building, SCI renovated, maintains mission.

• North Chicago is renovated, DOD sharing or a joint VA-DOD facility.

• All four sites continue providing an extensive array of multi-specialty ambulatory care services.

We need to consider the health care for our returning troops now. Lakeside is an outpatient clinic for now and operating with just few floors of the building. Westside (Jesse Brown VAMC) was approved and planned for a bed tower with 177 beds. Ground clearing has been completed but construction has not started as yet.

Hines' new Blinded Rehabilitation and Spinal Cord building is now open and ready for homecoming personnel. North Chicago now has a joint venture between DOD and VA.

We must also remember the promises made to our living veterans from all of our other wars and conflicts. Modern medicine is keeping us alive longer and we are not dying out fast enough to suit Congress. Many older veterans of World War II and Korean War were not sick when they returned from service, were successful in life and now are not entitled to get health care due to the lengthy process of qualifying VA Compensation and Pension benefits.

The American Legion will stay ever vigilant, as we are involved in the other CARES decisions for the other VA facilities that veterans are expecting to access. The American Legion supports mandatory funding legislation for VA health care in the 109th Congress.

The American Legion will be closely monitoring the progress of H.R. 515 in the House of Representatives and S. 331 in the Senate.

The Veterans Benefits Administration budget is mandatory; why isn't the Veterans Health Administration treated the same? Both of these budgets support the same heroes who have gone off to war for this nation. Remember, after the parades and victory speeches are over you still have ill and injured veterans trying to continue treatment and rehabilitation to re-enter society.

Mr. Chairman, it is disturbing that the homecoming heroes must wait for treatment when the Nation did not wait to send them into harms way.

The American Legion thanks you for the opportunity to comment on this matter.

Senator OBAMA. Thank you very much, Mr. Petrosky.

Next we have got Mr. Carl DiGrazia, Department's Service Officer, Veterans of Foreign Wars.

Mr. DiGrazia.

STATEMENT OF CARL DiGRAZIA, DEPARTMENT SERVICE OFFICER, VETERANS OF FOREIGN WARS

Mr. DIGRAZIA. Thank you, Senator Barack Obama and Senator Durbin.

The Veterans of Foreign Wars would like to thank the Committee on Veterans' Affairs for allowing us to express our concerns of the preparedness of VA health care for the men and women who are returning from Iraqi Freedom and Operation Enduring Freedom.

A large percentage of our returning military are members of the Military Reserve and National Guard, but the Department of Veterans' Affairs has stated that the VA medical centers are prepared to meet the needs of the returning troops. This service organization knows that many of the returnees have already registered with the VA health care system.

Some of these veterans have been refused and do not understand why. It's priority eight. Veterans need to be reconsidered. Those veterans need to be reconsidered.

The fiscal budget of 2005 health care fell one billion dollars short of cost of caring for our health of our veterans. The Senate unanimously voted for an amendment to add an additional 1.5 billion to this year's budget, to meet the health care needs of our veterans, from World War II and those now coming home from Iraq. There's already an amendment and a request for additional funding for fiscal year 2006.

The Reserve component of the military on active duty in support of partial mobilization of the Army National Guard and Army Reserve is approximately 124,552. The Naval Reserve is 3,323. The Air National Guard and Air Force Reserve is 9,691. The Marine Corp Reserve is 9,649. The Coast Guard Reserve is 576. The total National Guard and Reserve units total 147,611. This figure potentially new—health care recipients and compensation recipients.

Reflecting back to 1990 and 1991 on the veterans, who fought the Gulf War, many of whom returned with mysterious illnesses; between 26 and 32 percent of the veterans who served in the Persian Gulf continue to have serious and persistent health problems. It is called undiagnosed illnesses.

Now we have a new group of veterans coming home from the new war in the Middle East. Time will tell only if they will have the same fate as serious persistent health problems with no names.

H.R. Bill 1220, the VA Compensation Cost of Living Adjustment Act, was passed and we support this action. We particularly support the authorization of 2-year demonstration project to collect third-party payments from insurance companies. We wholeheartedly support going after the insurance companies who reneged on their payments to the government, overcharge us in our premiums and get wealthy at the expense of the disabled veteran.

Mr. Senators, the group of Americans we cannot be lukewarm about supporting are those Americans who have given up their youth, their health, their limbs, and a portion of their minds for freedom. The Veterans of Foreign Wars strongly support mandatory funding for VA health care, and it's going to be up to you, Senators and Congressmen, to make this a reality. Thank you for your time.

[The prepared statement of Carl DiGrazia follows:]

PREPARED STATEMENT OF CARL DIGRAZIA, DEPARTMENT SERVICE OFFICER, VETERANS OF FOREIGN WARS

Mr. Chairman, the Honorable Senator Barack Obama.

The Veterans of Foreign Wars would like to thank the Committee on Veterans' Affairs for allowing us to express our concerns of the Preparedness of VA Health Care for the men who are returning from Iraqi Freedom and Operation Enduring Freedom. A large percentage of our returning military are members of the Military Reserve and the National Guard.

The Department of Veterans' Affairs have stated the VA Medical Centers are prepared to meet the needs of the returning troops. This service organization knows that many of the returnees have already registered with the VA Health Care System. Some of these veterans have been refused and do not understand why. 'Priority 8' veterans need to be reconsidered.

The fiscal year 2005 health care budget fell one billion dollars short of the cost of caring for the health of our veterans. The Senate unanimously voted for an amendment to add additional 1.5 billion to this year's budget to meet the health care needs of our veterans from World War II to those now coming home from Iraq. There is already an amendment request for additional funds for the fiscal year 2006 budget.

The Reserve Component of the military on active duty in support of the partial mobilization for the Army National Guard and Army Reserve is 124,552; Naval Reserve is 3,323; Air National Guard and Air Force Reserve is 9,691; Marine Corps Reserve is 9,469 and the Coast Guard Reserve is 576. The total of National Guard and Reserve units is 147,611.

That is 147,611 potential new VA Health Care recipients and compensation recipients.

Reflecting back to 1990–1991 on the veterans who fought in the Gulf War many of whom returned with a mysterious illness. Between 26 and 32 percent of the veterans who served in the Persian Gulf continue to have serious and persistent health problems. It is called undiagnosed illness. Now we have a new group of veterans coming home from a new war in the Middle East. Time will only tell us if they will have this same fate. Serious persistent health problems with no name.

H.R. 1220 The Veterans Compensation Cost of Living Adjustment Act was passed and we support this action.

We particularly support the authorization of a 2-year demonstration project to collect third party payments from insurance compares. We wholeheartedly support going after the insurance companies that renege on their payments to the government, overcharge us on our premiums and get wealthy at the expense of the disabled veteran.

Mr. Senator, the group of Americans we cannot be lukewarm about supporting are those Americans who have given up their youth, their health, their limbs and a portion of their minds for our freedom.

The Veterans of Foreign Wars strongly supports Mandatory Funding for VA Health Care by our elected representatives from Illinois. H.R. 515 and S. 331.

Senator OBAMA. Thank you very much. We appreciate it, Mr. DiGrazia.

Next, we have Dr. Jeanne Douglas, who's Team Leader of the Vet Center in Oak Park, IL.

Dr. Douglas.

STATEMENT OF DR. JEANNE DOUGLAS, TEAM LEADER, VET CENTER, OAK PARK, IL

Dr. DOUGLAS. Thank you for asking me to speak today. It's been informative already. I have learned a great deal.

The Department of Veterans' Affairs Readjustment Counseling Service, that is Vet Centers, was established in 1979 under the Public Law 9622, to address the readjustment needs of Vietnam veterans. Additional legislation extended program eligibility to veterans of other combat theaters and to veterans who experienced sexual trauma as a result of their military service.

Vet Centers are traditionally located in communities to provide access to veterans in a setting that is as stress-free as possible. There are currently 207 Vet Centers in the United States and Puerto Rico.

The Oak Park, IL Vet Center was opened in January 1980, and offers services to veterans who live on the Westside of Chicago and Cook County, extending through the far western communities in Kane, Dekalb and DuPage Counties. Our staff consists of five mental health professionals, including veterans from Vietnam and Operation Desert Storm.

We are currently located at 155 South Oak Park Avenue, in Oak Park. Our Vet Center provides direct clinical services to combat veterans and veterans who have experienced sexual trauma and harassment.

These clinical services may include individual, group, marital or family therapy. In addition, we provide outreach to homeless veterans, employment assistance to underemployed and unemployed veterans, referrals to veterans seeking disability, education for community mental health professionals, prerelease planning for incarcerated veterans, bereavement counseling for family members, and we are present at programs for returning OIF veterans and their families.

Our area covers an array of ethnic and racial compositions and includes a wide variety of social economic conditions. It is our intent to understand the needs of veterans from different backgrounds, so our services reflect our efforts to engage our clients with openness and sensitivity.

Therefore, we have worked hard to become part of a network of services that reach veterans in our community, creating a continuum of care that provides medical, dental, optical services, employment, legal and housing assistance, benefits and educational information, as well as a full range of psychological and trauma counseling.

We have been able to do this through collaborative relationships with the Veterans Health Administration, the Veterans Benefits Administration, Illinois Department of Veterans' Affairs, County health departments, County veterans assistance offices and veterans service organizations. These all help us to ensure a quality lifestyle for returning veterans.

In addition, there are four other Vet Centers in the Chicago metropolitan area; one in Beverly, Evanston, and Chicago Heights, and in Merrillville, IN. The staff at all five Vet Centers work well together planning citywide events, such as the upcoming Supermarket of Veteran Services, Stand downs and various educational opportunities for our staff.

We are able to share tasks when we need representation at National Guard and Reserve events, or to provide a presence at job fairs, health fairs, or school programs. This team effort makes it possible for us to direct veterans to the most convenient and appropriate facility to meet their needs.

Since the Oak Park Vet Center opened, we have served over 12,000 veterans and their families. In fiscal year 2004, we provided over 4,400 visits and, to date, in 2005, we have provided 3,600 visits to veterans. We are actively serving service members who are

returning from the global war on terrorism and their families, by providing briefings and materials upon their unit's requests.

Returning soldiers are briefed on programs provided by the Vet Center and about the potential impact of deployment on individuals and families. We provide monthly briefings to the ADH RRC in Forest Park, to the General Jones Armory, to Northwest Armory, and to North Riverside Armory. We also facilitate monthly support groups for family members of deployed service members.

Our collaboration with family support representatives ensures that the Oak Park Vet Center is involved in addressing the readjustment needs of returning service members. Thank you.

[The prepared statement of Jeanne Douglas follows:]

PREPARED STATEMENT OF DR. JEANNE DOUGLAS, TEAM LEADER, VET CENTER, OAK PARK, IL

My name is Dr. Jeanne Douglas, PhD, team leader of the Oak Park, Illinois Vet Center. Thank you for taking my testimony, I am honored to be here and provide testimony pertaining to the operations of the Oak Park, Illinois Vet Center.

The Department of Veterans' Affairs, Readjustment Counseling Service (Vet Centers) was established in 1979 under Public Law 96–22 to address the readjustment needs of Vietnam veterans. Additional legislation extended program eligibility to veterans of other combat theaters, and to veterans who experience sexual trauma as a result of their military service. Vet Centers are traditionally located in communities to provide access to veterans in a setting that is as stress-free as possible. There are currently 207 Vet Centers in the United States and Puerto Rico.

The Oak Park, Illinois Vet Center was opened in January of 1980 and offers services to veterans who live on the Westside of Chicago and Cook county extending through the far western communities in Kane, DeKalb and DuPage Counties. Our staff consists of five mental health professionals including veterans from Vietnam and Operation Desert Storm. Currently located at 155 South Oak Park Avenue, Oak Park, Illinois 60302, our Vet Center provides direct clinical services to combat veterans and veterans who have experienced sexual trauma and harassment during their time in the military. These clinical services may include individual, group, marital or family therapy. In addition, we provide outreach to homeless veterans, employment assistance to underemployed and unemployed veterans, referrals to veterans seeking disability, education for community mental health professionals, prerelease planning for incarcerated veterans, bereavement counseling for family members, and we are present at programs for returning OIF veterans and their families. Our catchment area covers an array of ethnic and racial compositions, and includes a wide variety of social economic conditions. It is our intent to understand the needs of veterans from different backgrounds so our services reflect our efforts to engage our clients with openness and sensitivity. Therefore, we have worked hard to become a part of a network of agencies that reach veterans in our community, creating a continuum of care that provides medical, dental, optical services: employment, legal, and housing assistance; benefits and educational information and a full range of psychological and trauma counseling. We have collaborative relationships with the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), County Health Departments, County Veterans Assistance offices, and veteran's service organizations to help us as we work to ensure a quality lifestyle for all returning veterans.

In addition, there are four other Vet Centers in the Chicago Metropolitan area (Beverly, Evanston and Chicago Heights in Illinois; Merriville, Indiana). The staff at all five Vet Centers work well together planning city wide events such as the upcoming Supermarket of Veterans Services, Standdowns, and various educational opportunities for our staff. We are able to share tasks when we need representation at National Guard and Reserve events or to providing a presence at job fairs, health fairs, or school programs. This Vet Center team effort makes it possible for us to direct veterans to the most convenient and appropriate facility to meet their needs.

Since the Oak Park Vet Center opened, we have served over 12,000 veterans and their families. In fiscal year 2004, we provided over 4453 visits, and in fiscal year 2005, we have provided over 3612 veteran visits. We are actively serving service members who are returning from the Global War on Terrorism and their families by providing briefings and materials upon their unit request. Returning soldiers are briefed on programs provided by the Vet Center, and about the potential impact of

deployment on individuals and families. We provide monthly briefings to the 88th RRC (Forest Park, IL), to General Jones Armory, to Northwest Armory, and to North Riverside Armory. We also facilitate monthly support groups to family members of deployed service members. Our collaboration with family support representatives ensures that the Oak Park Vet Center is involved in addressing the readjustment needs of returning service members.

Again, thank you for taking my testimony pertaining to the service delivery of the Oak Park, Illinois Vet Center.

Senator OBAMA. Thank you very much, Doctor.

Next, Mr. Hetrick, Director of VA Hines Hospital.

STATEMENT OF JACK HETRICK, DIRECTOR, HINES VA HOSPITAL

Mr. HETRICK. Thank you, Senator Obama and Members of the Committee. I appreciate the opportunity to appear before you today regarding your question, "Is VA prepared to meet the needs of our returning veterans?" I can address that question as it relates to the Edward Hines, Jr. VA Hospital.

The Edward Hines, Jr. VA Hospital is located 12 miles west of downtown Chicago and offers primary, extended and specialty care, and serves as a care referral center for a network of VA hospitals in the area. Hines represents the entire spectrum of VA health care and clinical programs. Specialized clinical programs include blind rehabilitation, spinal cord injury, neurosurgery, radiation therapy, and cardiovascular surgery.

Nearly 512,000 patient visits occurred in fiscal year 2004, providing care to 52,647 unique veterans, primarily from Cook, DuPage and Will Counties. So far this year we have provided care to 6 percent more veterans than we did last year at this time.

Hines offers the full spectrum of mental health services, including inpatient, outpatient, psychiatric care, post-traumatic stress disorder program, and a homeless chronically mental ill program which outreachs to homeless veterans in the Chicago area. Hines provides mental health service at all of its seven community-based clinics.

Through initiatives such as advanced clinical access, Hines is committed to providing timely and accessible care to our veterans. All priority veterans who request a primary care visit and are new enrollees are being scheduled for an evaluation by a primary care provider within 30 days of the veteran's requested date.

Hines providers support UBA process by providing timely compensation and pension, often called C&P, examinations by consistently staying within VHA time standards, 35 days. To make certain we never take for granted our current veterans or returning veterans, I recently established an awareness program entitled "It's all about the Vet" at the Hines VA. That was designed to reconnect each employee at Hines with our mission to care for veterans. Hines Hospital staff and veteran volunteers served as instructors for the class. At the end of the program, each employee was challenged to write down how they individually contribute to our mission.

Hines is committed to ensuring a smooth transition from DOD health care to VA health care for Chicago area soldiers returning from Iraq and Afghanistan. As part of VA's seamless transition process, Hines has increased the number of outreach activities to

returning service members and new veterans, including Reserve and National Guard units. In fiscal year 2004, Hines saw 308 OIF/OEF patients, and we expect to exceed this number this year, as we have already treated 290 of these patients in the first 9 months of this fiscal year.

Hines has a special office set up to coordinate activities locally and to assure that health care needs of the newest veterans are fully met. Hines has made a commitment to assure the returning OIF/OEF veterans have full and timely access to mental health care. We are able to schedule returning Iraqi veterans for a mental health evaluation immediately upon request, and have established a special support group specifically for veterans returning from Iraq with post-traumatic stress disorder issues.

Many service members returning from combat with severe injuries require extensive hospitalization and rehabilitation. Since Hines offers specialized services not provided by DOD in this region of the country, we have received a number of active duty soldiers for spinal cord injury rehabilitation and blind orientation and mobility.

Presently in the Hines Blind Rehabilitation Program, a young OEF OIF active duty soldier that was blinded in combat is undergoing intense rehabilitation. When I met this soldier, he told me how committed he was to learn how to deal with his condition. He went on to say he has researched blind rehab programs available around the country, and determined that Hines was the best and that was where he wanted to go.

In our spinal cord injury program, we recently received another active duty service member injured stateside. His home is outside the Chicago area. His wife accompanied him to be with him during this critical period. Knowing their home was outside the Chicago area, our social work staff offered assistance in finding a place for her to stay and continues to follow up to show her that we will help in any way possible.

The importance of these two programs was spotlighted this past May 20, when Secretary Nicholson was on hand to dedicate two new state-of-the-art buildings to serve our blind rehabilitation and spinal cord injury programs. These two new facilities will allow us to continue the fine tradition of high quality care for these two special needs programs.

I will say in summary, the staff at the Hines VA Hospital works extremely hard to provide top quality health care to all of our veterans. Our patient satisfaction scores are a direct reflection of this commitment and hard work. Over the past 3 years, our inpatient satisfaction scores have consistently been on the rise, with the majority of our patients rating their overall care as excellent or very good.

The first half of this year, we had served over 47,000 unique veterans as outpatients. During this first quarter of fiscal year 2005, our overall patient satisfaction scores was in the top 10 scores nationwide.

We are proud of this first rate health care we provide America's veterans and are fully committed to meeting this challenge in the future. I believe the Hines VA Hospital has demonstrated and can

promise that we are prepared to meet the needs of returning veterans. Thank you, Senator, and this concludes my formal remarks.

[The prepared statement of Jack Hetrick follows:]

PREPARED STATEMENT OF JACK HETRICK, DIRECTOR, HINES VA HOSPITAL

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today regarding your question, "Is the VA Prepared to Meet the Needs of Our Returning Vets." I can address this question as relates to the Edward Hines Jr. VA Hospital.

The Edward Hines, Jr. VA Hospital is located 12 miles west of downtown Chicago and offers primary, extended and specialty care and serves as a tertiary care referral center for a network of VA hospitals in the area. Hines represents virtually the entire spectrum of VA healthcare and clinical programs. Specialized clinical programs include Blind Rehabilitation, Spinal Cord Injury, Neurosurgery, Radiation Therapy and Cardiovascular Surgery. The hospital also serves as the area's hub for pathology, radiology, radiation therapy, human resource management and fiscal services. Hines currently operates 472 beds and seven community-based outpatient clinics (CBOC) in Oak Park, Manteno, Elgin, Oak Lawn, Aurora, LaSalle, and Joliet. Nearly 512,000 patient visits occurred in fiscal year 2004, providing care to 52,647 veterans, primarily from Cook, DuPage and Will counties. So far this year, we have provided care to 6 percent more veterans than we did last year at this time.

Hines offers the full spectrum of mental health services, including inpatient and outpatient psychiatric care, Post-Traumatic Stress Disorder Program, and a Homeless Chronically Mentally Ill Program, which outreaches to homeless veterans in the Chicago area. Hines provides mental health services at all of its seven CBOCs.

Through initiatives such as Advanced Clinical Access (ACA), Hines is committed to providing timely and accessible care to our veterans. All priority veterans who request a primary care visit and are new enrollees are being scheduled for an evaluation by a primary care provider within 30 days of the veteran's requested date. Hines providers support the VBA process by providing timely compensation and pension (C&P) examinations by consistently staying within the VHA time standard of 35 days. To make certain we never take for granted our current veterans and returning veterans, I recently established an awareness program entitled "It's All About the Vet at the Hines VA" that was designed to reconnect each employee at Hines with our mission to care for veterans. Hospital staff and veteran volunteers served as instructors for the class. At the end of the program each employee was challenged to write down how they individually contribute to our mission.

Hines is committed to ensuring a smooth transition from DoD healthcare to VA healthcare for Chicago-area soldiers returning from Iraq and Afghanistan. As part of VA's seamless transition process, Hines has increased the number of outreach activities to returning service members and new veterans, including Reserve and National Guard units. In fiscal year 2004, Hines saw 308 OIF/OEF patients and we expect to exceed this number this year as we have already treated 290 of these patients through the first 9 months of this fiscal year. Hines has a special office set up to coordinate activities locally and to assure that the health care needs of the newest veterans are fully met. Hines has made a commitment to assure that returning OIF/OEF veterans have full and timely access to mental health care. We are able to schedule returning Iraqi veterans for a mental health evaluation immediately upon request and have established a special support group specifically for veterans returning from Iraq with post-traumatic stress disorder issues.

Many service members are returning from combat with severe injuries, requiring extensive hospitalization and rehabilitation. Since Hines offers specialized services not provided by DoD in this region of the country, we have received a number of active duty soldiers for spinal cord rehabilitation and blind orientation and mobility. Presently in the Hines Blind Rehabilitation program, a young OEFIOIF active duty solider that was blinded in combat is undergoing intense rehabilitation. When I met this soldier he told me how committed he was to [earn how to deal with his condition. He went on to say that he researched Blind Rehab programs available around the country and determined that Hines was the best and that is where he wanted to go. In our Spinal Cord Injury program we recently received another active duty service member injured stateside. His home is outside the Chicago area and his wife accompanied him to be with him during this critical period. Knowing their home was outside the Chicago area; our Social Work staff offered assistance in finding a place for her to stay and continues to follow-up to assure her we will help in anyway possible.

The importance of these two programs was spotlighted this past May 20th when Secretary Nicholson was on hand to dedicate two new state-of-the-art buildings that serve our Blind Rehabilitation and Spinal Cord injury programs. These two new facilities will allow us to continue the fine tradition of high quality care for these two special needs programs.

Hines is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), as well as National Committee for Quality Assurance (NCQA), and the Commission on Accreditation of Rehabilitation Facilities (CARF).

VHA's performance measurement system enables us to hold ourselves accountable for providing high quality of care for veterans. Hines meets or exceeds the private sector benchmarks in industry recognized performance measures in the care of heart attacks, heart failure and pneumonia. Hines has been recognized as a leader in patient safety and has been identified for best practices in JCAHO publications and the Annual Patient Safety Forum. For example, the Hines patient safety program was recognized in the May 2004 JCAHO publication "Patient Safety" and in the November 2004 JCAHO publication "Source".

The Secretary of Veterans Affairs has approved and signed an enhanced use agreement allowing Catholic Charities of the Archdiocese of Chicago to renovate and establish a transitional living center and a low-income senior living center that will occupy two previously unused buildings on the Hines campus. These two "Faith Based" initiatives will serve veterans without added cost to the hospital and will renovate unused buildings without utilizing limited capital resources.

In summary, the staff at the Hines VA Hospital works extremely hard to provide top quality health care to all our veterans. Our patient satisfaction scores are a direct reflection of this commitment and hard work. Over the past 3 years our inpatient satisfaction scores have consistently been on the rise, with the majority of our patients rating their overall care as "Excellent" or "Very Good." In the first half of this year, we have served over 47,000 veterans as outpatients and during the first quarter of fiscal year 2005 our overall outpatient satisfaction score was in the top ten scores nationwide. We are proud of the first-rate healthcare we provide to America's veterans, and are fully committed to meeting this challenge in the future. I believe the Hines VA Hospital has demonstrated and can promise that we are prepared to meet the needs of returning vets.

Thank you, Mr. Chairman. This concludes my formal remarks. I welcome any questions the Committee Members may have.

Senator OBAMA. Good, thank you very much.

We only have a few minutes left, so I want to just dive in on a couple of issues. If we don't get to all of them, the Committee may submit some written questions that you can respond to in writing.

Mr. Petrosky, I just want to touch on something that you brought up, and I have heard already. As we have seen I think from some of the testimony here today, there's a feeling at times that the VA's trying to keep people out of the system instead of figuring out how to bring them into the system.

What I am understanding from your testimony is that some of our returning veterans have been refused access to the health care system in the first 2 years when they are back, despite the fact that as I understand it, at least, it doesn't matter if you're priority eight or not. In those first 2 years, you have uniform unimpeded access to the VA health care system.

Is that your understanding of what the rules are and, in fact, are you saying that despite those rules, certain veterans have been turned away?

Mr. PETROSKY. That's right. We have had to at times bring that up to the enrollment personnel that, you know, they have 2 years. We have the individual show his discharge document, and the paperwork proceeds on to Georgia so they can get their enrollment.

The problem we see, it's not everyone in the system, but certain individuals of VA medical center personnel who turn these veterans away. At Westside we have made contact with the Chief of MCCR and she has assured us, if you have that problem please call

her. At the other facilities where we have service officers, they take them by the hand down and remind the VA medical center personnel of enrollment process for the now returning military personnel.

It's not blatantly done, but enough people have complained that they'd like to get into the system and they are told no because they are priority eight, and they do not enroll priority eight veterans anymore. That is the key of the system that categorizes veterans into health care.

When you've got a priority category, and you already know that a certain number of veterans are not going to get into the system, you're always going to have people that are not paying attention and say you're not eligible instead of going through the requirements. That goes back to when priority eight was established and when the VA said they are not letting priority eight into the system.

Senator OBAMA. Right.

Mr. DiGrazia.

Mr. DIGRAZIA. Yes, sir.

Yes, I agree here with Mr. Petrosky on this. There are instances where the veterans come to us and say, I was refused medical care because they say I would fit in category eight. We usually find out what facility was involved and we contact that particular director and assure that this veteran would be taken care of.

What we have a problem with is how many are out there that have been refused and just don't go back any more and are entitled to this. Now, you know, the 2 year, as we call it, scott free of copays, that's great. But I think all of the employees that address these veterans when they come in should be made aware of that. Look at the man's discharge papers, and if he qualifies, by God, give it to him. He sure the heck earned it. He or she, by the way. I think they earned it.

Senator OBAMA. Absolutely.

Mr. Hetrick, we haven't heard specific complaints of Hines, but my assumption is you are making aware and training all your personnel to be knowledgeable about the fact that in the first 2 years of discharge, issues like priority eight don't come into play?

Mr. HETRICK. Absolutely, Senator. I think when we first started to see a return, there was initially some confusion about eligibility. But as time has moved on and we have become better at it, and had more training and appointed seamless transition coordinators, that this is really a rare exception as opposed to the rule now. Of course, we would strive for no exceptions as our goal.

I think in health care, when anyone presents for care and if there's evidence that it's an emergent need, we take care of them regardless of asking about eligibility and worry about that the next day or as soon as they are able to answer certain questions.

Senator OBAMA. Dr. Douglas, I have seen some recent studies, there was one in the New England Journal of Medicine, indicating that up to 17 percent of our veterans returning from Iraq will suffer post-traumatic stress disorder. I am just wondering, based on your experience at the Vet Center, do you think that is an accurate estimate, or is it too high, or too low? Do you have any anecdotal sense or statistical sense at your center of the degree in which

some of the newly returning vets are experiencing some of these issues?

Dr. DOUGLAS. You have to clarify whether you're talking about acute PTSD or chronic PTSD. I would assume that the numbers for acute PTSD would be quite a bit higher than that.

Senator OBAMA. Could you help us with that distinction? What is the difference between acute and chronic PTSD?

Dr. DOUGLAS. Acute would be a person who's having symptoms that last 3 to 6 months. Then through treatment, therapy, whatever, are able to recover and come back to a normal kind of lifestyle. Chronic means someone whose PTSD symptoms are disabling.

Senator OBAMA. Your impression would be that if it had to do with acute symptoms, that the 17 percent number might be a little low?

Dr. DOUGLAS. We were thinking more like 25 to 30 percent for acute symptoms.

Senator OBAMA. Are these symptoms ones that can be treated effectively in sort of an outpatient setting, such as the one that you're discussing? They basically need counseling, somebody to talk to, work through some of these issues with them? Is that accurate?

Dr. DOUGLAS. Yes. I think it's really important that they be treated promptly, so they can be treated at the Vet Centers very quickly with medical support from the VA hospitals. What we know from the Vietnam era is that it's the delay in treatment that causes the long-term difficulties.

Senator OBAMA. People feel isolated. They feel lonely. It's difficult to make an adjustment. If they don't have a sense that there's somebody there to help them return to civilian life, then it will actually compound the problem and what could have been acute might turn into——

Dr. DOUGLAS. Exactly.

Senator Obama [continuing]. Something that ends up being chronic.

Mr. Hetrick, have we started preparing for this influx of veterans from Operation Iraqi Freedom?

Mr. HETRICK. Absolutely, we have. We have been working over the past several months to improve our staffing in mental health areas, looking at where the workload demands are, and making certain that we are prepared to address what we believe is going to be a growing number of individuals seeking those services. As I said earlier in my testimony, that we have a number of programs in place right now that we are dealing with folks, but we are getting new referrals on an ongoing basis each week. As I said, there's a steady increase and we are adjusting accordingly.

Senator OBAMA. I guess part of my concern here is last year the VA's own special committee on PTSD came to the conclusion, and this is a quote, "The VA does not have sufficient capacity to meet the needs of new combat veterans while still providing for veterans of past wars." Now, Hines by all accounts is doing an outstanding job, and you should be congratulated for that. But I am concerned with having a static amount of resources dealing with more patients. Has the VA to your knowledge made any projection for the number of veterans that are expected to return from Iraq and Af-

ghanistan in 2006? Are they specific to Illinois? Is this data shared with you for planning purposes, budgetary purposes, and so forth?

Mr. HETRICK. I don't recall having seen any specific projections related to that for 2006. I am basing more of my comments on actual experience and what we believe will continue to be a growing demand.

Senator OBAMA. How are you dealing with that growing demand? Are you getting more money to deal with that growing demand? Are you able to staff up or are you having to shift resources from some areas to others?

Mr. HETRICK. Well, I think like, in a complex hospital environment that I operate with many different specialized programs and a number of—and extended care programs, mental health programs, I have to look at everything on an ongoing basis to see where the demand is. Wherever I can, I sometimes shift resources, regardless of the budget picture, in order to meet our growing needs.

It's not always the answer to add more or spend more money, but sometimes we have to shift internally. That's how I have been addressing the situation this year, working with our mental health providers and leadership in mental health, and knowing that this is particular priority. We have been making steadily improvements and I know that even, starting in June, as of June 1, we have actually narrowed down our appointment time to 10 days from request.

And if you need emergency services, that's taken care of right away.

Senator OBAMA. Dr. Douglas, the Vet Center's on the front lines. Are there things that we should be looking at or anticipating, based on what you're seeing on a day-to-day basis, that we are not doing now? Improvements that need to be made. Areas, in terms of outreach to veterans, bringing them in, where we are falling short.

Dr. DOUGLAS. Well, I think what we are trying to do now is very important. We are trying to be present when soldiers return so that they are aware of what their opportunities are right from the get go, when they return from Iraq.

We also want to be very present for families. Families take a huge amount of the toll, the emotional toll, when a soldier is deployed. We want that family to be as strong as possible, so that they are able to work with the veteran and whatever needs he has.

Senator OBAMA. Gentlemen, do you have anything to add on this matter?

Mr. PETROSKY. We would like to thank Dr. Douglas for what the Vet Centers have done and continue doing so in supporting veterans throughout Illinois.

Yes, they might be told what's available for them when they are coming back, but a lot of people have on their mind the separation of family and want to get back together. The Vet Centers have been very helpful in utilizing that when a returning soldier comes home and he doesn't remember, that when somebody sends him down there they welcome him with open arms to make sure he is taken care of. To give us, service organizations, the documentation necessary to support veterans in their claims with the VA.

Senator OBAMA. Well, if there's nothing further, I just want to thank the second panel. You've been extraordinarily helpful to us.

I want to state that the record on this hearing will remain open to any Members of the Committee or if Senator Durbin would like to submit written questions for the record to the witnesses. It's possible that both the witnesses for the first panel and the second panel may receive some additional written questions and we will then get your responses into the record.

I appreciate everybody taking the time, and I appreciate Chief Judge Kocoras for making these chambers available. Thank you very much.

[Whereupon, at 11:48 a.m., the Committee was adjourned.]

○