Federal Health Matters

President's 2008 VA Budget Proposal Raises Funding and Fees

Last month, President Bush released his VA budget proposal for fiscal year (FY) 2008. Although this proposal continues a 20-year trend of annual increases in funding for VA medical care, with an overall increase of more than 83% over the level of funding in place when the President took office in 2001, some members of Congress and veterans' advocacy groups say it's still not enough—especially given the needs of service members returning from current combat theaters in Iraq and Afghanistan. Furthermore, objection has been raised to certain provisions included in the proposal.

The total funding requested is $86.75 billion, with $36.6 billion designated for medical care. These medical funds include $4.6 billion for extended care services (90% of which would be devoted to institutional long-term care), nearly $3 billion to improve access to mental health services, $752 million to treat the anticipated 263,000 new veterans returning from Iraq and Afghanistan in 2008, $750 million for health care construction projects, and $411 million to support the VA's medical and prosthetic research program. In addition, the VA is requesting nearly $1.9 billion for information technology—$461 million of which will support projects for medical care and research. Notably, $2.4 billion of the total medical budget is expected to come in from medical care collections.

The FY 2008 budget proposal includes three controversial legislative proposals intended to increase such collections over the next few years: (1) the institution of an annual, income dependent enrollment fee for veterans in priority groups 7 and 8 (those with higher incomes and no compensable service-connected conditions); (2) an increase in prescription drug copayments (from $8 to $15) for veterans in the same priority groups; and (3) the elimination of a current policy that allows the VA to offset veterans' copayment amounts using funds collected from veterans' third-party insurance plans. At a hearing before the Senate VA Committee on February 13, VA Secretary James R. Nicholson acknowledged that Congress has rejected similar legislative proposals from the President in the past. The difference this time, he pointed out, is that the legislative proposals did not accompany a decrease in discretionary budget appropriations. "Our budget request includes the total funding needed for the [VA] to continue to provide veterans with timely, high quality medical services that set the standard of excellence in the health care industry," he told the Senate.

Although Senate VA Committee Chair Daniel K. Akaka (D-HI) praised the "straightforward increase" in health care funding requested by the President for FY 2008, he expressed concern that nearly all of this increase would be accounted for by inflation and higher automatic costs, with little funding left for expansions to programs (such as mental health and care for returning service members). In addition, he spoke strongly against the new enrollment fees and higher pharmacy copayments, pointing out that the VA's definition of "higher income" veterans (who would be affected by these changes) includes those with a combined family income of $50,000 per year. Finally, he questioned whether the budget had adequately accounted for the impact of Operation Iraqi Freedom and Operation Enduring Freedom veterans on the VA health care system, noting that the VA has underestimated this impact in the past. In fact, he said, this was "one of the major contributors to the disastrous 2005 shortfall."

Akaka's concerns have been echoed by a number of others, including Rep. Bob Filner (D-CA), chair of the House VA Committee, and Bradley S. Barton, national commander of the Disabled American Veterans (DAV). In a February 6 statement, Barton called the budget's legislative proposals a plan to "force thousands of veterans out of the VA health care system."

Additionally, the *Associated Press* (AP) reports that the President's FY 2008 budget assumes "consecutive cutbacks" to the 2009 and 2010 VA budgets and "a freeze thereafter." Such cuts would represent a significant reversal of past trends, leading some to question whether it is merely a gesture to "make [the administration's] long-term deficit figures look better." White House Budget Office Spokesperson Sean Kevelighan told the AP that the cuts "do not reflect any policy decisions," and added that the White House will reconsider budget cuts in future analyses.

More Vet Centers Coming Soon

The VA announced on February 7 that it will open 23 new Readjustment Counseling Service Vet Centers over the next two years. The Vet Centers are community based and provide readjustment counseling and outreach services to returning combat veterans and their families.

In 2007, six new centers will be opened in Grand Junction, CO;

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Orlando, FL; Cape Cod, MA; Iron Mountain, MI; Berlin, NH; and Watertown, NY. The remaining 17 centers will open in 2008 in the following locations: Montgomery, AL; Fayetteville, AR; Modesto, CA; Fort Meyers and Gainesville, FL; Macon, GA; Manhattan, KS; Baton Rouge, LA; Saginaw, MI; Las Cruces, NM; Binghamton, Middletown, and Nassau County, NY; Toledo, OH; DuBois, PA; Killeen, TX; and Everett, WA. The locations for the centers were chosen based on the number of veterans living in the surrounding areas and the veterans' current access to VA services.

Not long ago, the VA came under fire from some members of Congress and veterans' advocacy groups for not providing Vet Centers with enough staff and resources to meet a surge in the number of returning service members seeking help. On October 19, 2006, a report about Vet Centers' current capacity, requested by then ranking Democratic member of the House VA Subcommittee on Health Michael H. Michaud (D-ME), was released. This report showed that, of 60 Vet Centers surveyed, 100% reported a significant increase in outreach and services to veterans returning from Iraq and Afghanistan, 30% stated that more staff was necessary in order to meet increased demands, 40% reported that they had directed veterans in need of individualized therapy to group therapy to deal with the increased workload, and 17% said they had implemented waiting lists for services. According to an article published in the February 8 edition of the *Navy Times*, however, VA officials "strongly disputed" the findings of this report.

Congress established the Vet Centers in 1979 to meet the readjustment needs of Vietnam veterans. The centers are staffed by counselors and outreach specialists, many of whom are also combat veterans. Services are open to all veterans of combat operations (and their families), veterans who were sexually assaulted or harassed while on active duty, and families of service members who have died while on active duty. The current 209 centers are distributed among all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.

VA Celebrates One Year of Diabetes Tele-Retinal Screening

February marked the first anniversary of widespread implementation of the VA's tele-retinal imaging program. This program—a partnership between the VA, the DoD, and the Joslin Vision Network (part of the Joslin Diabetes Center in Boston, MA)—uses telemedicine technology to screen patients with diabetes for retinopathy and other eye problems during routine primary care appointments.

Through the VA's computerized patient record system, patients are scheduled to undergo imaging during routine clinic visits. At the clinic, retinal images are captured and transmitted electronically to an image reading center, where an eye care specialist interprets the results and determines the need for further care. This type of screening doesn't take the place of a comprehensive, dilated eye exam conducted by eye care professionals, and patients who are known to have retinopathy or who are at high risk for ocular complications (such as those who are pregnant or have renal disease) are seen in eye clinics. Nevertheless, VA officials say the tele-retinal imaging program offers an important starting point for identifying patients at risk for diabetes-related vision loss.

This assertion is supported by results from a study published in the April 2005 issue of the *American Journal of Ophthalmology*. In this study, members of the Joslin Vision Network Research Team analyzed data on 1,219 patients who underwent tele-retinal screening at the Togus VA Medical Center, Togus, ME. Of the 2,437 eyes imaged, 23% were found to have some degree of diabetic retinopathy and 2% were found to have some degree of diabetic macular edema. The authors of the study concluded that the program was able to identify the severity of diabetic retinopathy and nondiabetic ocular conditions in the nonophthalmic setting, thus permitting appropriate triage for eye care.

The VA began pilot testing tele-retinal imaging in six sites in 2000, with nationwide implementation occurring in 2005 and 2006. For the upcoming year, the VA says it plans to expand the program significantly. ●