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VETERANS TO RECEIVE MEMORIAL DAY SURPRISE: CUTS IN HEALTH CARE FUNDING; NEW FEES

Larson Releases Accompanying Study Showing Negative Impact VA Cuts and Fees Will Have on Thousands of State Veterans

WASHINGTON, D.C.- U.S. Congressman John B. Larson (CT-01) today released the findings of a study he requested showing what effect proposed cuts for the Veterans Administration budget and increased fees for veterans in the VA healthcare system will have on veterans in Connecticut. The study found that the new and increased fees proposed by the Bush Administration and endorsed by the GOP-controlled Congress would cause over 21,000 Connecticut veterans, including about 8,000 in the Hartford area, to be denied VA health care or to drop out of the VA system entirely, while remaining veterans will see the cost of their VA healthcare increase. Larson requested that the Special Investigations Division of the House Committee on Government Reform's Minority Staff conduct the study.

The budget resolution passed by Congress endorses the President's plan to increase fees and co-pays for over two million veterans who fall into "Priority 7" and "Priority 8" designations, meaning they are veterans who do not have service-related disabilities and do not meet certain income guidelines. The President's proposal includes a new \$250 enrollment fee for these veterans, and the Senate amendment assumes the enactment of legislation that would double the insurance and prescription drug co-payments, to \$15 for Priority 7 and \$20 for Priority 8 veterans, and the co-pay for a primary care visit would

increase by 33% to \$20. According to the Bush Administration's own estimates, the increase in fees will "reduce enrollment by 1.25 million, and patients by over 425,000" nationally. Those who remain will be forced to pay hundreds of additional dollars a year for VA care.

The findings for Connecticut and the Hartford Area:

- The President's budget resolution will freeze enrollment for Priority 8 veterans in the VA healthcare system, preventing an estimated 1,800 veterans in Connecticut from enrolling to receive care. This includes 670 veterans in the Hartford area who could have enrolled in VA healthcare.

- Increased fees will likely cause over 19,000 Connecticut veterans, including 6,500 veterans receiving active VA healthcare, to drop out of the VA health system entirely because they cannot afford to remain enrolled. In the Hartford area, 7,200 veterans, including 2,500 active patients, would likely be forced to drop out of the VA system because of the increased fees.

- Those who do not drop out of the VA healthcare system will be forced to pay hundreds more for their healthcare. Veterans who receive prescription drugs from the VA and who fill a typical number of prescriptions a year could face new fees amounting to nearly \$600.

Larson stated: "When Americans serve their nation in the military, whether it is the Second World War or the recent war in Iraq, their government makes the promise of a lifetime of

guaranteed healthcare. Now, in this recent budget, the Bush Administration and GOP leadership seeks to renege on that promise as they attempt to drive more than a million veterans out of the VA healthcare system, and place significant new costs on the veterans who can afford to remain. This study shows that thousands of veterans in Connecticut who utilize or would utilize VA healthcare system will not escape the pain of these cuts or the burdensome new fees that the President and the GOP leadership seeks to implement on the backs of veterans.

"The VA has never charged a fee for our veterans to enroll and the fact that the Bush Administration seeks to begin this policy now, as our troops come home from war, is an outrage. It must be pointed out that the savings that will be gained from increasing fees for our veterans in the VA healthcare system will amount to about \$1.1 billion annually, which is equal to less than two percent of the annual cost of the massive tax cuts passed by the Administration and the Republican Congressional Leadership. We hear so much talk about the need to support our troops, but when the time comes to use actions instead of words to support those who have worn the uniform, America's veterans are being left out to dry. Our veterans have put their lives on the line for their nation and have served bravely, and are owed adequate healthcare from the nation they served, instead of a barrage of new fees and plans to drive them out of their healthcare system," said Larson.

Nationally, according to the same study, the VA estimates that the new fee will force an estimated 55% of enrolled Priority 7 and 8 veterans - more than half - to drop out of the system. Currently, there are an estimated 21,508 Priority 7 and an estimated 13,720 Priority 8 veterans enrolled in the VA healthcare system in Connecticut. The average veteran uses 38 monthly prescriptions per year. A Priority 7 veteran that fills this many prescriptions will pay an additional \$304 annually just for prescription drugs, plus the increased fees for doctor visits, plus the \$250 annual enrollment fee. This adds up to nearly \$600 annually. In 2003, the VA will provide care for an estimated 126,000 veterans in Connecticut.

The House and Senate passed the conference report on the budget resolution on April 11, 2003. It passed the House by only five votes, 216 to 211, with 216 Republicans supporting the budget and 204 Democrats opposing it. The Senate passed the conference 50 to 51, with Vice President Dick Cheney casting the tie-breaking vote in favor of the plan. The budget passed by Congress provides \$1 billion less than the President's request for fiscal years 2005 through 2008. While there is an increase in the VA budget for the next fiscal year, overall, the VA budget for the next decade cuts \$6 billion in funding that the Congressional Budget Office estimates is necessary to meet obligations under current law.

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Congressman Larson Serves on the House Armed Services Committee

For a Copy of the Full Report - including citations -- visit:

<http://www.house.gov/larson/vets.htm>