

Undercutting Veterans' Care Backfires on Bush/Cheney

by Marcia Merry Baker and Anita Gallagher

Late on June 30, the House of Representatives voted unanimously for a rush-measure to provide supplemental funding of \$975 million to the Department of Veterans Affairs health-care system for FY 2005; this followed a unanimous vote the day before by the Senate for supplemental authorization of \$1.5 billion. With these votes, it was hoped that by the end of the Fourth of July week, a conference group of the two chambers would resolve the \$500 million difference, and get the money flowing as a stop-gap for the current VA health-care budget hole, revealed on June 23 to be \$1.2 billion or likely more. Acrimony at the emergency hearings in both Houses showed the White House sharply discredited by its exposed "chiselling" of vets' health care, and Republicans furious that they had been misled, and made to defend that chiselling.

However, true to form, the White House began moving on July 1, to thwart any expedited moves for Congressional resolution of the funding amounts. There could be weeks of delay. In fact, it was the White House itself that reluctantly sent the low-ball request of \$975 million supplemental funding to the House of Representatives on the afternoon of June 30. Even in the President's speech at Fort Bragg on June 28, less than a week after the news broke of the budget hole for veterans' health care, Bush made no reference to it whatsoever in his ID-format, "support-our-military-to-fight-terrorism" script.

Despite White House denials and Vice President Cheney's weekly bully trips to Congress, the hearings and revelations focussed attention on the shameful record of the Bush Administration on the matter of veterans, military health care, and even the related base-closing mania. Since 2001, the Administration has been not only undercutting the VA system,

but resorting to known-to-be incompetent projections of expected VA enrollment; initiating plans for closing VA hospitals nationwide; and covering up the whole situation to Congress as late as this Spring.

On June 23, Sen. Larry Craig (R-Idaho), chairman of the Senate Veterans Affairs Committee, joined with the Committee's ranking Democrat, Daniel Akaka of Hawaii, Patty Murray (D-Wash.), and others, to tell the press that they are committed to take all necessary action.

Echoes of Halliburton

All kinds of scandal is pouring out about the Administration's culpability. For example, *à la* the Cheney/Halliburton Iraq contracts, there are the private consulting agencies engaged by the Bush Administration to carry out the shameful undercutting of Veterans Affairs programs. Right now, accounting firm PriceWaterhouseCoopers (PwC) is in the middle of a \$9.6 million, 13-month VA contract, to conduct rounds of public meetings to present rationalizations for shutting down at least 18 major VA medical facilities (New York City; Pittsburgh; Boston; Walla Walla, Wash.; Waco, Tex.; and others).

This Bush Administration program is called CARES—Capital Asset Realignment for Enhanced Services. In PwC's "Project Overview," the goal is stated explicitly that VA property should be sold off for real estate gains! In its CARES promo material, the PwC describes its "PwC Role" as to help "Determine potential for VA to capitalize on valuable real property."

Moreover, the forecasting model currently being used by PwC for rationalizing why the VA system can do without 18 major hospitals, is the very same one, done by the consulting

firm Milliman Co., which has recently been revealed as unable to predict VA enrollment for 2004-05!

Called "Forecasting VA Health Care Demand," the model uses 2002 as a baseline and makes projections of VA enrollment for the next 20 years, by gender, age, and so on. At the June 30 House Veterans Committee hearing, it came out that the Milliman Model projected 23,000 new VA enrollees would need care in FY 2005, when in fact, 103,000 have needed it so far. The model projected a rate of growth of 2.3%, versus the 5.2% which has occurred. It did not take into account the returnees from Iraq and Afghanistan; nor did it consider the enrollment of thousands of elderly and otherwise qualified vets, newly poor and without care.

So what? At a May 3 PwC hearing in Texas, on shutting the Waco VA Medical Center, PwC presented consultants who proclaimed that the "CARES [Milliman] model provides a reasonable analytical approach for estimating VA enrollment, utilization and expenditures."

There is a further scandal. The "beyond-model" increase in the VA enrollment over 2004-05, took place *despite the Administration's action in January 2003, to unilaterally suspend enrollment indefinitely for those vets fitting in VA Category 7 and 8*; this refers to veterans who served in the military in good standing and need health care, but may be in the middle-income range. There are now millions of such vets who have lost health care since 2000, given the number of companies which no longer provide any health care, or have closed down outright.

Out of the total number of nearly 26 million veterans in the U.S. today, some 7 million are in the VA system; but of the sub-group under 65 years old—which numbers about 17.1 million—at least 12% have no health-care coverage whatsoever.

Harm to Vets and to VA System

At the late June hearings on emergency funding needs, Congressmen themselves provided reports of the problems of veterans not getting care, and the acute unmet requirements of the staff, plant, and equipment of the VA system itself. One Representative reported a sign at the VA hospital in Vermont, that all three operating rooms will be shut for three months due to budget shortfalls. No non-emergency surgery will be performed at the Portland, Ore. VA hospital for six months; a sign also instructs families that no more meals will be served to patients; bring food from home! Rep. Bob Filner (D-Calif.) said there are 231 staff vacancies in the VA hospital in San Diego; 1,000 people on a waiting list; and no dental care for two years. He called for VA Secretary Jim Nicholson to resign.

The same kind of documentation was provided earlier this year to Congress. In the Senate in March, state-by-state inadequacies were reviewed. In Boise, Id., there was a \$1.8 million deficit at the VA facility. There was a hiring freeze, despite a 7% workload increase in FY 2005. There was no



U.S. Army/Staff Sgt. Carmen Burgess

World War II veterans commemorate the 60th anniversary of the Allied victory in Europe, May 6, 2005. The House and Senate are rushing to repair some of the damage of the Administration's bid to close down veterans' hospitals and deny treatment.

money for staff education. In Chillicothe, the psychiatric rehabilitation center was shut down. In Manchester, 30 nursing home beds were not opening as planned, in order to save \$1.3 million.

Sen. Susan Collins (R-Me.) provided more details on New England, where there was a \$14 million deficit at facilities, causing a hiring freeze and lack of equipment replacement.

Murray, Akaka, and others called for adding \$2.85 billion in March. This was derived by figuring \$1.4 billion needed for inflation, plus for modest salary increases. The new workload from Iraq and Afghanistan returnees is underfunded. In particular, mental health and prosthetics require increases. But Nicholson, then newly named VA Secretary, said that none of this was necessary.

In fact, Nicholson's predecessor, Anthony J. Principi, Secretary from 2001 to January 2005, did tell the House earlier this year that \$1.2 billion in supplemental VA funding was needed for FY 2005, given the increased expenses involved in the "unexpected" influx of enrollees, but said that the White House had denied his request. Soon after that, Principi was removed. Rep. Chris Smith (R-N.J.), the chairman of the Veterans Affairs Committee, was also forced out as chair and purged from the Committee entirely, for denouncing the White House VA medical undercutting.

On March 25, Principi became Commission head for the Base Realignment and Closure (BRAC) study of the Pentagon, calling for closure of 33 major military installations, including the flagship Walter Reed Army Medical Center. Principi had presided over the Milliman Forecasting Model, and the launching of the VA CARES project. Bush had to install Principi at BRAC as an Easter-break recess appointment, to avoid the wrath of the Senate at the time. Sen. Trent Lott (R-Miss.) had vowed to hold up Principi's nomination indefinitely.