

Presidential Candidates Present Views on DAV Priority Issues

Editor's Note: With the general election just a few months away, the DAV believes its members deserve to know where Republican President George W. Bush and Democratic challenger Senator John F. Kerry stand on key veterans issues.

The unabridged responses to questions submitted by the DAV are presented below as a way for our members to compare the candidates' positions on issues affecting America's service-connected disabled veterans and their families.

The cooperation of the candidates and their campaign staffs is much appreciated; however, the DAV has asked both candidates to discuss specific policies they would propose regarding particular issues. Their responses are planned for publication in the September/October issue of DAV Magazine.

Mandatory Funding for VA Health Care

DAV: The current discretionary funding method for veterans' health care is broken. The needs of our nation's sick and disabled veterans have not been adequately met for many years. Continued funding shortfalls, combined with rising costs for care and increased demand for medical services, have resulted in unprecedented waiting times nationwide for routine and specialized medical services. Historically, annual funds appropriated for veterans' medical care have failed to meet the growing demand for services. Further exacerbating this growing dilemma has been Congress' inability to complete the appropriations process on time, delaying critical funding for Department of Veterans Affairs (VA) medical care.

The President's Task Force to Improve Health Care Delivery for Our Nation's Veterans, in its May 2003 report, identified a significant mismatch between demands for VA services and available funding which, if left unresolved, would delay veterans' access to care and threaten the quality of the care provided. As you may know, the Disabled American Veterans (DAV) has joined with eight other major veterans' service organizations to form The Partnership for Veterans Health Care Budget Reform. The Partnership is entirely committed to passing legislation authorizing mandatory funding for VA health care.

Do you support a fundamental change in the manner VA health care is funded? If so, how would your administration ensure its implementation? If not, why?

President George W. Bush: America's veterans and military retirees have sacrificed to make our Nation safe and secure, and I believe America must honor its commitments to our veterans. Because we have worked to reform the VA health care system, today more than 2.5 million additional veterans are benefiting from health care services than in 2001. No veteran with a service-related disability, a low-income, or in need of specialized services will be turned away from the VA under my budget. My 2005 budget fully funds

enrolled veterans in Priority Groups 1 through 7, and also fully funds those Priority Group 8 veterans (higher income, non-disabled) already in the system, ensuring that no veteran in the system will be denied care. My budgets over the last four years have increased funding for VA health care by more than 40% over 2001 levels, and this year, my budget proposal requests \$68 billion for VA – \$20 billion more than what was allocated in 2001. VA spending will have increased more than twice as much in four years than it did in the previous eight years. These efforts have increased outpatient visits from 44 million to 54 million, increased the number of prescriptions filled from 86 million to 108 million, and opened 194 new community-based clinics for veterans. And the number of veterans waiting more than six months to see a primary care physician continues to decline and will be nearly zero by this summer.

Improvements in care over the last decade have come from making the VA more accountable to veterans. I will continue to make sure that the VA budget meets the health care needs of veterans, while meeting my commitment to spend taxpayers' money responsibly. Congress and the President must be accountable and be able to react to changing times or new demands placed on the VA system.

Senator John F. Kerry: I believe that veterans' health care should be fully funded. In my years in the Senate, and especially today, I have seen budgets that have failed to meet the true resource requirements of the system. I have seen budgets that rely on rosy predictions and accounting gimmicks instead of real resources, and far too often I have seen attempts to shift the burden of treating some veterans onto the backs of other veterans. For too long veterans have faced health care rationing because the budgetary reality they face has not met the promises we have made. I vow that my administration will find real solutions to funding veterans' health care, and will end the game of playing politics with the health and the lives of sick veterans.

I agree with DAV, and with the other veterans groups that make up The Partnership for Veterans Health Care Budget Reform, that the answer lies in providing mandatory funding. I have cosponsored S. 50, the "Veterans Health Care Funding Guarantee Act of 2003," which would provide mandatory funding, and strongly supported an amendment offered by Senator Daschle to the Defense Authorization bill which would have been an important step toward full mandatory funding. Mandatory funding promises to meet the health care needs of veterans, and that is why I fully support it and will work for it as president.

When our country asked them to serve, they responded to the call. Now they are looking to us to keep our promises to them, to keep our covenant with the men and women who have served, and who have risked all along the ramparts of freedom. Instead of keeping our promises, we tell sick veterans that they must wait months to receive the health care they need; we tell them that there is no room for them; and sometimes we even tell them that they are not allowed through the hospital door. This is unacceptable. A bedrock American value is that we are true to our word, that our promises are kept. Providing adequate, high-quality health care to those we owe so much to is a promise we must keep, and I vow to work to make sure that the resources are available to fully fund the VA.

If elected, I will recommend legislation to the 109th Congress that will provide mandatory funding for veterans' health care. Awaiting passage of such legislation, I will forward a budget to Congress that will provide sufficient discretionary spending to fully fund the VA.

Disabled Veterans Tax

DAV: For nearly two decades, the DAV and other veterans' and military organizations have led a major grassroots effort to end an unfair requirement that veterans who retire from the Armed Forces on length of service may not receive disability compensation from the Department of Veterans Affairs in addition to full military retirement pay.

Many disappointing years passed before Congress even acknowledged that the offset between the two benefits was unfair. The offset is inequitable because military retired pay is earned by virtue of a veteran's long service on behalf of the country. Entitlement to compensation, on the other hand, is for an entirely separate reason because of service-related disability. To the extent that military retired pay and disability compensation now offset each other, the disabled veteran is treated unfairly. This offset should be totally repealed. However, for a number of years, majorities in both the House and Senate proclaimed the unfairness should end, but did nothing substantive to resolve the problem.

In 2003, measures were passed to begin phasing in concurrent receipt of VA disability compensation and military retirement pay. The move was in the right direction, but far from sufficient because it applied only to combat-related disabilities or to VA disability ratings of 50 percent or higher. Additionally, the 10-year phase-in brings justice far too slowly. Most eligible World War II veterans will be deceased before concurrent receipt of military retirement pay and VA disability compensation is fully instated.

Do you support provision of concurrent receipt to veterans rated 40 percent or less and will your administration actively work to bring it about? Why or why not?

Do you support elimination of the phase-in period for concurrent receipt? Why or why not?

President George W. Bush: I have addressed the issue of "concurrent receipt" for military retirees in a fair and responsible manner. My Administration has been the *first* to act on allowing military retirees to receive both disability compensation and retirement pay. I have twice signed into law legislation effectively allowing military retirees to receive VA disability compensation without having to offset the amount from their retirement benefits. This policy for those military retirees most deserving – combat-injured and highly-disabled veterans – finally reverses, for the first time, a century-old prohibition on concurrent receipt.

Senator John F. Kerry: I believe military retirees who have a service-connected disability should receive both military retired pay and disability compensation. I agree

with DAV that any offset of military retirement pay and disability compensation is unjust. No other category of federal employee is subject to this kind of unfairness and it must stop. Far too often in our history veterans' benefits are cut or reduced based solely upon budgetary considerations. There are plenty of places to cut back in government – but benefits for veterans are not one of them. As president, I will actively push for full concurrent receipt.

I fully supported a successful amendment, offered by my colleague Senator Reid, to this year's defense bill that would eliminate this ten-year phase-in period for those military retirees who are rated 100 percent service-connected disabled. This is the right thing to do, but we must do more. We must eliminate this phase-in period for all military retirees. The average age of our World War II veterans is 83, for our Korean War veterans it is 70. It is estimated that 1000 World War II veterans die every day. How can we ask these brave Americans to wait another decade for a benefit that should have been theirs yesterday, and should most certainly be theirs today? Eliminating this phase-in period, and providing full concurrent receipt, will be a priority of my administration.

Making Veterans a National Priority

DAV: *Our nation has a long and honored commitment to its veterans. Veterans and their dependents have made enormous sacrifices and eminent contributions in the service of this nation. The breadth of support among the citizens of this country for veterans is fully demonstrated by public opinion data. Unfortunately, the promises made by our government to veterans have been consistently broken. Our government forgets that caring for the needs of our nation's sick and disabled veterans is a continuing cost of national security, and the price we, as Americans, pay for our cherished freedoms.*

As noted above, some former service members who are retired from the Armed Forces on the basis of length of service must, in order to receive disability compensation, forfeit a portion of the retired pay they earned through faithful performance of military service.

Other veterans in need of medical care either must wait too long for necessary VA health care or are locked out of the VA health care system because their annual income is greater than \$25,000. VA health care is rationed due to historically inadequate budgets and delayed appropriations, which make it extremely difficult to manage a national health care system.

Over the years, failure to regularly adjust veterans programs for increases in the cost of living or failure to make other needed changes threatens the effectiveness of some veterans benefits, such as the automobile and special adaptive housing grants, burial benefits, and insurance benefits.

Specifically, because of service-connected disabilities, disabled veterans have difficulty getting, or are charged higher premiums for, life insurance on the commercial market. VA therefore offers disabled veterans life insurance at standard rates under the Service Disabled Veterans Insurance (SDVI) program. When this program began in 1951, its

rates, based on mortality tables then in use, were competitive with commercial insurance. Commercial rates have since been lowered to reflect improved life expectancy shown by current mortality tables. However, VA continues to base its rates on mortality tables from 1941. Consequently, SDVI premiums are no longer competitive with commercial insurance and therefore no longer provide the intended benefit for eligible veterans.

Additionally, when life insurance for veterans had its beginning in the War Risk Insurance program, first made available to members of the Armed Forces in 1917, coverage was limited to \$10,000. Today, some 87 years later, maximum coverage under the base SDVI policy is still \$10,000.

Finally, Survivors Benefit Plan (SBP) provides a monthly annuity for eligible beneficiaries of the uniformed forces who are entitled to receive retired pay. Enrollment in SBP is automatic at the time of retirement from active duty, unless the retiree, with spousal concurrence, elects not to participate. However, if the death of the retiree is determined to be the result of service-connected disability, the surviving spouse cannot receive both the monthly SBP annuity and dependency and indemnity compensation (DIC) provided by VA.

What specifically will your administration do to make veterans a national priority?

Will your administration propose or support legislation to authorize VA to revise its premium schedule for SDVI to reflect current mortality tables?

Will your administration propose or support legislation to increase the face value of SDVI?

Will your administration propose or support legislation to authorize the concurrent receipt of SBP and DIC?

President George W. Bush: Veterans have helped shape the American character, and their service represents the highest form of patriotism. I believe America must honor its commitment to veterans and my Administration has worked to do so.

My Administration is the first to allow concurrent receipt of retirement and disability benefits for combat-injured and highly-disabled veterans. I have increased funding for VA health care to record levels allowing the VA to enroll 2.5 million more veterans for health services. The VA's priority scheduling system better focuses assistance on the veterans who need it most, those with military disabilities, low-incomes, or special needs. We have begun implementing a long-range plan to modernize VA facilities to provide more care to more veterans in more places. I have fulfilled my commitment to cut the disability claims backlog from 432,000 to 250,000 and reduce the time needed for the VA to process a claim to 100 days. I have expanded grants for homeless veterans to all 50 states and overseen the largest expansion of the national cemetery system since the Civil War in order to honor veterans with a hallowed, final resting place.

I share your concerns about the welfare of survivors of military retirees. In 2003, I signed the Veterans Benefits Act, which provides \$1 billion in new and expanded benefits – including housing and automobile grants for disabled veterans and educational benefits for surviving spouses and children. The Survivor Benefit Plan (SBP) was intended from its inception in 1972 to complement Social Security benefits and Dependency and Indemnity Compensation. Together, these programs ensure a survivor's income is at least 55% of the service member's retired pay. I am aware of several proposals to enhance these benefits that would cost several billion dollars over the next 10 years. I will work with Congress on this issue and consider them in the context of overall resources needed to maintain and enhance the readiness of the armed forces.

The Service Disabled Veterans Insurance Fund (SDVI) has been providing life insurance to veterans with service-connected disabilities since 1951. Veterans receive up to a \$10,000 life insurance policy for standard premium rates but also may receive a waiver for the premiums. Those who receive a waiver may opt to increase their policy to \$30,000.

Senator John F. Kerry: My service in Vietnam was one of the pivotal experiences of my life. There I learned the basic rule: “Mission First, Troops Always.” I have been guided by this rule since. My fellow veterans, and the issues important to them, will be an integral part of my administration. Empty rhetoric and vacant promises not only fail our mission, but ignore the true needs of our troops and our veterans. I vow to show veterans that we honor and respect them with more than words once or twice a year, but with actions and deeds.

This nation made a sacred covenant with those it drafted and those who enlisted, but the truth is that every day in America the treatment of too many veterans is breaking that covenant. In order to meet this covenant, I fully support, and will work to enact, mandatory funding for veterans' health care, full concurrent receipt for disabled military retirees, and measures to fairly compensate soldiers and their families for their service.

I support legislation to revise the premium schedule for the Service Disabled Veterans Insurance (SDVI) program.

When introduced in 1951, and using mortality rates for 1940, SDVI was intended to provide insurance at competitive rates. SDVI rates are still based on those from 1940, while current standard life insurance rates are based upon 2001 mortality tables. Average life expectancy in 1940 was 62.9 years. The average life expectancy in 2001 was 77.2 years. Today's SDVI program does not reflect these realities. SDVI is a vital benefit for disabled veterans because these individuals often cannot obtain insurance, or are charged far higher premiums because of their service-connected disabilities. We must bring this program up to date, and provide a comparable benefit to what was originally intended.

To have the same purchasing power today as when this program was first introduced in 1917, the face value of the basic SDVI policy would be more than \$100,000. Like many

veterans' benefits, the intended benefit of SDVI has been eroded by inflation and the passing of decades.

As president, I will fight to address this erosion of benefits earned by veterans by their service to our nation. Often, SDVI is the only insurance a veteran can obtain. We must do what we can to restore the economic value of the SDVI program, and make SDVI a useful, and viable benefit for our veterans.

I fully back efforts to end the "Widows' Tax" by ending the reduction of SBP made when survivors' reach age 62.

I have co-sponsored legislation introduced by my colleague Senator Landrieu to address this inequity. I was glad to see both the House of Representatives, and my Senate colleagues, vote to include legislative language in this year's defense bill that would provide full SBP survivor benefits for surviving spouses over age 62. I will push to see that this important provision is included in the final version of this legislation.

###