

April 29, 1986

Oral Statement of John M Dennis MD, Dean University of Maryland SOM
on FY 1987 Appropriations for the Department of Medicine and Surgery
of the Veterans Administration

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**association of american
medical colleges**

ORAL STATEMENT

OF

JOHN M. DENNIS, M.D., DEAN
UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE

ON

FY 1987 APPROPRIATIONS FOR THE
DEPARTMENT OF MEDICINE AND SURGERY
OF THE VETERANS ADMINISTRATION

APRIL 29, 1986

PRESENTED TO THE SENATE APPROPRIATIONS SUBCOMMITTEE ON HUD-INDEPENDENT
AGENCIES FOR ITS HEARING ON FY 1987 APPROPRIATIONS FOR THE VETERANS
ADMINISTRATION.

GOOD MORNING. I AM DR. JOHN DENNIS, DEAN OF THE UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE. I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO PRESENT THE VIEWS OF THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES ON FY 87 APPROPRIATIONS FOR THE MEDICAL PROGRAMS OF THE VETERANS ADMINISTRATION. WITH YOUR PERMISSION, I WOULD LIKE TO SUMMARIZE MY STATEMENT AND SUBMIT THE FULL VERSION FOR THE RECORD.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, MY INTERESTS AND THOSE OF THE ASSOCIATION IN THE VA'S MEDICAL CARE PROGRAMS STEM FROM THE HIGHLY PRODUCTIVE RELATIONSHIPS THAT HAVE DEVELOPED BETWEEN THE COUNTRY'S MEDICAL SCHOOLS AND THE VA HOSPITALS SINCE THE END OF WORLD WAR II. AFFILIATION AGREEMENTS ENCOMPASSING PATIENT CARE, MEDICAL EDUCATION AND RESEARCH ARE NOW IN FORCE BETWEEN 101 MEDICAL SCHOOLS AND 133 OF THE VA'S MEDICAL CENTERS.

THE ASSOCIATION CERTAINLY RECOGNIZES THE FINANCIAL DIFFICULTIES PLAGUING OUR GOVERNMENT TODAY AND UNDERSTANDS THAT THE EVER-INCREASING BUDGET DEFICIT MUST BE DEALT WITH. HOWEVER, BY THE SAME TOKEN, WE ARE AWARE OF THE EXTREME SACRIFICES OF THE VETERANS WHO LAID THEIR LIVES ON THE LINE TO PROTECT OUR COUNTRY. THE ASSOCIATION FIRMLY BELIEVES THAT WE CANNOT AND MUST NOT ATTEMPT TO BALANCE THE BUDGET ON THE BACKS OF THESE VETERANS. SOMEHOW, MONEY MUST BE FOUND TO KEEP THE VA MEDICAL PROGRAM ALIVE AND RESPONSIVE TO THE ANTICIPATED GROWING DEMAND FOR VA HEALTH CARE SERVICES IN THE COMING DECADES.

INCREASINGLY, THE NEEDS OF THE VETERAN POPULATION DIFFER FROM THOSE OF THE GENERAL PUBLIC IN THAT THE MAJORITY OF VETERANS ARE SELF-REFERRED FOR HOSPITAL CARE AND PRESENT MULTIPLE MEDICAL PROBLEMS, AND MANY ARE AT OR BELOW POVERTY LEVELS, A REALITY THAT COMPLICATES POST-HOSPITALIZATION CARE.

ADDITIONALLY, AS YOU WELL KNOW, THE VETERAN POPULATION IS GROWING OLDER. BY THE YEAR 2000, 37 PERCENT OF ALL VETERANS WILL BE 65 YEARS OF AGE OR OLDER, AND 16 PERCENT WILL BE 75 OR OVER. OLDER PATIENTS TEND TO REQUIRE AND CONSUME RELATIVELY MORE HEALTH SERVICES AND RARELY HAVE A VIABLE ALTERNATIVE TO HOSPITAL CARE.

WITH THESE DEMOGRAPHICS IN MIND, THE AAMC WAS DEEPLY DISTURBED TO LEARN THAT THE PRESIDENT'S BUDGET CALLS FOR SUBSTANTIAL FUNDING AND PERSONNEL REDUCTIONS IN THE VA'S MEDICAL PROGRAM IN FY 87. FUNDING LEVELS FOR MEDICAL CARE -- WHICH HAVE NOT INCREASED IN REAL TERMS FOR 9 YEARS -- WOULD BE REDUCED BY 2 PERCENT, DESPITE THE ESCALATING COSTS OF PROVIDING HEALTH CARE IN THE MODERN AGE.

THE ADMINISTRATION ALSO PROPOSES TO REDUCE THE VA'S STAFFING LEVELS BY 1 PERCENT EACH YEAR FOR THE NEXT FIVE YEARS IN WHAT IS IRONICALLY CALLED "PRODUCTIVITY INCREASES". IN 1987 ALONE, THIS PROPOSAL WOULD REDUCE VA STAFFING LEVELS BY ALMOST 2000. BY THE YEAR 1991, THE TOTAL REDUCTION WOULD BE AN ALARMING 10,000 EMPLOYEES. ADDITIONALLY, AS A RESULT OF A NEW PROPOSAL TO TREAT FEWER "LOW PRIORITY" VETERANS, THE ADMINISTRATION WOULD CUT PERSONNEL LEVELS BY ANOTHER 7,000 EMPLOYEES.

THESE DRASTIC PROPOSALS, WHEN COUPLED WITH THE RECENTLY-ENACTED MEANS TEST, AND THE POSSIBILITY OF FUTURE GRAMM-RUDMAN-HOLLINGS SEQUESTRATIONS, RAISES THE REAL POSSIBILITY OF A MASSIVE SHRINKAGE OF THE VA MEDICAL CARE SYSTEM AND REDUCED QUALITY OF CARE AT A TIME WHEN THE VA'S MEDICAL MISSION SHOULD BE INCREASED TO MEET GROWING DEMANDS.

THE AAMC IS ALSO CONCERNED OVER SEVERAL OTHER PROPOSALS IN THE ADMINISTRATION'S BUDGET:

- THE ALREADY LOW VA STAFFING RATIO OF EMPLOYEES PER CENSUS WOULD INCREASE SLIGHTLY TO 2.86, ALTHOUGH THE COMPARABLE RATIO IN NON-FEDERAL HOSPITALS IS MUCH HIGHER, AVERAGING 3.78 IN 1984.
- THE ADMINISTRATION WOULD ALLOW ONLY A MODEST \$277,000 INCREASE FOR THE VA'S 10 GERIATRIC RESEARCH, EDUCATION AND CLINICAL CENTERS, DESPITE RECENTLY ENACTED LEGISLATION THAT CALLS FOR AN EXPANSION IN THE NUMBER OF GRECCs TO 25. THIS PROGRAM SHOULD BE BOLSTERED SUBSTANTIALLY BECAUSE OF ITS UNIQUE ROLE IN DEVELOPING INNOVATIVE APPROACHES TO CARING FOR THE ELDERLY.
- THE VA'S RENOWNED MEDICAL AND PROSTHETIC RESEARCH BUDGET -- WHICH HAS NOT INCREASED IN CONSTANT DOLLARS FOR THE PAST 12 YEARS -- WOULD BE DECREASED UNDER THE PRESIDENT'S BUDGET, AND 147 EMPLOYEES AND A NUMBER OF MERITORIOUS RESEARCH PROJECTS WOULD BE TERMINATED. GIVEN THAT THE ADMINISTRATION HAS PROPOSED A SIGNIFICANT 25 PERCENT INCREASE FOR DEFENSE R & D AND A 17 PERCENT INCREASE FOR R & D GOVERNMENT-WIDE IN FY 1987, THE AAMC BELIEVES THAT THE PROPOSED REDUCTIONS IN THE VA'S RESEARCH BUDGET ARE UNFAIR AND WOULD THWART ITS ABILITY TO KEEP PACE WITH THE INCREASING COSTS AND COMPLEXITIES OF CONDUCTING BIOMEDICAL RESEARCH.
- THE ADMINISTRATION HAS PROPOSED A 40 PERCENT REDUCTION FOR THE VA'S MAJOR CONSTRUCTION PROJECTS, AND A 22 PERCENT CUT FOR MINOR PROJECTS FROM 1986 APPROPRIATED LEVELS, WHICH UNDOUBTEDLY WILL DELAY MUCH-NEEDED CONSTRUCTION, RENOVATION AND REPLACEMENT PROJECTS IN CERTAIN AREAS AND

THREATEN THE VA'S ABILITY TO DELIVER QUALITY CARE IN THE COMING
DECADES.

IN CONCLUSION, THE ASSOCIATION WOULD STRONGLY URGE THIS SUBCOMMITTEE TO
ONCE AGAIN TAKE THE LEAD IN ENSURING THE CONTINUED HEALTH AND VITALITY OF THE
VA'S MEDICAL CARE ENTERPRISE. TO ACCOMPLISH THIS, THE AAMC WOULD RECOMMEND
THAT THE VA'S FY 87 APPROPRIATION INCLUDE \$9.7 BILLION FOR THE MEDICAL CARE
PROGRAM AND \$193.5 MILLION FOR THE RESEARCH PROGRAM, WHICH IS CURRENT SERVICES
BASED ON PRE-GRAMM-RUDMAN-HOLLINGS 1986 LEVELS. FOR CONSTRUCTION, WE
RECOMMEND SUFFICIENT FUNDING LEVELS AND FLEXIBILITY TO ALLOW THE VA TO AT
LEAST REPLACE OR RENOVATE OBSOLETE VA MEDICAL FACILITIES.

MR. CHAIRMAN, THIS CONCLUDES MY STATEMENT, AND I WOULD BE PLEASED TO
ANSWER ANY QUESTIONS YOU MAY HAVE.