OVERVIEW STATEMENT BY

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FOR HEALTH AFFAIRS

BEFORE THE

COMMITTEE ON APPROPRIATIONS

MILITARY QUALITY OF LIFE, VETERANS AFFAIRS AND RELATED AGENCIES SUBCOMMITTEE

U.S. HOUSE OF REPRESENTATIVES

THE ROLE OF THE DEPARTMENT OF DEFENSE IN THE DEPARTMENT OF VETERANS AFFAIRS BUDGETARY SHORTFALL

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Mr. Chairman and distinguished members of this committee, I want to thank you for the opportunity to discuss the role of the Department of Defense (DoD) in the Department of Veterans Affairs (VA) role in providing resources to our Nation's veterans.

Today, the Armed Forces have more than 275,000 service men and women deployed around the world in support of our national military commitments, including those service members deployed to Afghanistan and Iraq. The Department is firmly committed to protecting the health of all service members – before, during and after their deployment – and our other healthcare beneficiaries, who now number more than nine million.

At a recent hearing before the House Committee on Veterans Affairs, our colleagues in the VA described a significant funding shortfall in their Fiscal Year 2005 health care budget. A small portion of this shortfall, stated as approximately $90 million, was attributed to dental care for deactivated or recently separated Reserve and National Guard personnel.

We met with the VA staff to review this requirement and provide an independent estimate of the amount. As the result of our joint work, we believe the additional workload has resulted in a $54 million requirement above VA's 2005 baseline.

DoD attempts to demobilize our Reservists as soon as possible so that they can return to their families and civilian life, after ensuring that all health issues they face have been adequately addressed. For dental care, because their only DoD entitlements are space available care in our dental treatment facilities or voluntary enrollment in the TRICARE Dental Program, this has meant that our Reservists have made increasing use of their VA benefit entitlement, resulting in a slightly increased costs to the VA for dental care. The Under Secretary of Defense for Personnel and Readiness, Dr. David S. C. Chu, wants to help the VA provide for this benefit, given their stated funding challenges in the current year. We are currently investigating possible transfer mechanisms between the two Departments to help defray this increased dental expense.

Additionally, at a recent hearing before the House Committee on Veterans Affairs, there were questions related to DoD supplemental funding and funding increases for health care utilization costs. Our policy is to fund increased health care utilization cost within the DoD base budget request and that only direct war related medical costs are included in the Global War on Terrorism funding supplemental requests.

In conclusion, Mr. Chairman, I want to make clear that the Department of Defense is committed to taking care of its own personnel who are put into harm's way to defend our Nation. We provide the best possible care for our wounded service members and have been well supported by the Congress in acquiring sufficient resources to perform our missions. Where appropriate, and only with their coordinated cooperation, we have entered into joint ventures with the VA as a part of this process. I am not aware

of any other DoD/VA pending issues that impact the VA budget. I thank you for your tremendous support of the Military Health System, and I look forward to our continued efforts to provide the highest quality health care to our heroic service men and women.