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STATEMENT OF

TURNER CAMP, M.D.

ASSOCIATE DEPUTY

CHIEF MEDICAL DIRECTOR

VETERANS ADMINISTRATION

BEFORE THE

SENATE VETERANS' AFFAIRS COMMITTEE

APRIL 30, 1981

Mr. Chairman and members of the Committee:

The Committee has before it today eight pieces of legislation addressing several major subject areas. We welcome the opportunity to air our views on these proposals and to contribute to your deliberative process.

You have asked us for our views on the following bills:

(1) titles II and III of S. 26, which would provide for compensation and treatment for conditions deemed to have resulted from exposure to toxic substances or radiation and for an extension and expansion of the readjustment counseling program;

(2) S. 380, which would extend by one year the period during which funds appropriated for VA grants for new State medical schools may be expended;

(3) S. 458, which would extend the VA's readjustment counseling program for two years, extend the educational assistance and rehabilitation program delimiting periods for certain veterans, and extend the program of veterans readjustment appointments;

(4) S. 636, which would clarify the VA's authority to recover certain health care costs, extend the period during which funds for new State medical schools may be committed, and authorize expansion of the VA's epidemiological study related to "Agent Orange" exposure;

(5) S. 689, would require VA to develop regulations for resolving claims for benefits based on "Agent Orange" exposure;

(6) S. 872, which would extend for three years veterans' eligibility for readjustment counseling services;

(7) S. 914, which would authorize the Administrator to make contributions for construction projects needed to facilitate safe ingress to or egress from VA national cemeteries; and

(8) S. 921, which would extend VA's authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands.

COMPENSATION AND TREATMENT: TOXIC SUBSTANCES AND RADIATION EXPOSURE

Title II of S. 26 represents a sweeping, but problem-ridden, set of proposals to provide compensation and medical treatment to veterans and their disabled children in connection with the veterans' exposure in service to toxic substances, chemical or biological agents, or radiation.

Among its many provisions, this title of the bill would

(1) Add to the basic entitlement provisions of chapter 11 (38 U.S.C. §§ 310 and 331) and to the list of chronic diseases which may be presumptively service-connected (under 38 U.S.C. §312(a)(1)) disabling residuals of a toxic substance, biological or chemical agent, radiation, or genetic damage;

(2) Provide for presumptive service-connection of such residuals, without time limit, where there was exposure to the specified instrumentalities in service;

(3) Expand the term "veteran" for purposes of chapters 11 and 17 of (title 38) to include a disabled child, a term further defined as a natural child of a veteran with a condition caused by genetic damage in the veteran resulting from exposure to specified instrumentalities in service;

(4) Provide for medical care for any veteran who was exposed in service to toxic substances, chemical or biological agents, or radiation, and developed a disability or genetic damage symptomatic of such exposure (unless affirmative evidence to the contrary is demonstrated), notwithstanding that there is no record of such exposure or disability during the veteran's service;

(5) Provide that the child of a veteran who has been presumed under these provisions to have incurred genetic damage due to exposure to instrumentalities in service would be eligible for medical care for any condition caused by such genetic damage; and

(6) Direct that the VA, in cooperation with the Departments of Defense and of Health and Human Services, carry out (together with outreach and counseling services) a comprehensive program of screening veterans who may have been exposed in service to toxic substances, chemical or biological agents, or radiation to determine if such exposure resulted in disability.

In its changes to the compensation provisions of title 38, this bill would, in essence, provide specific authority for the VA to grant service-connected disability benefits to veterans based upon residual health effects of exposure to toxic substances, chemical and biological agents, and radiation, on either a direct

or presumptive basis, and would also establish a basis for granting service connection to any child of a veteran where such child has an abnormality resulting from genetic damage sustained by the parent veteran due to exposure to such instrumentalities.

In our judgment, the proposed amendments regarding service connection for veterans would be superfluous at best, and overinclusive at worst. We perceive a two-pronged misconception which may underlie such proposals, namely, the apprehension that disabilities attributable to radiation or substance exposure somehow fall outside the scope of the present statutory language defining what may be service connected and that such disabilities may not be held service-connected where first manifested beyond the statutory presumptive period (generally one year) for chronic diseases following separation from service.

Existing law provides, at 38 U.S.C. §§ 310 and 331, for service-connected benefits to be granted for a "disability resulting from personal injury suffered or disease contracted in line of duty, or for aggravation of a preexisting injury suffered or disease contracted in line of duty . . . ." These basic criteria have for many years provided the basis for service connection of whatever disability an individual may acquire during, or as a result of, service in the Armed Forces. We view these standards as sufficiently broad to permit the flexibility needed in determinations of service connection; in other words, we can think of no acquired disability which does not arise from either injury or disease. Of course, congenital or developmental defects, which, by their

very nature, preexist one's entry into service, do not fall within the ambit of present legislation, are not acquired in service, and are not subject to service connection. See 38 C.F.R. § 3.103(c). On the other hand, any biological change in a human being, caused by exposure to any of the instrumentalities listed in this bill and resulting in subsequent disability, would constitute an injury and create basic entitlement to service connection under current law. Our point, therefore, is that the present statutory language is adequate for its intended task, and needs no amendment.

For certain chronic diseases, enumerated at 38 U.S.C. § 301(3), the law authorizes service connection notwithstanding a lack of diagnosis or manifestation during service, if such disease is detected within one year after service. See 38 U.S.C. § 312(a)(1). For example, any tumor or other malignancy manifested within the one-year presumptive period may be service-connected despite no evidence of its presence during service. It is important to note, however, that the presumptive period reflects a liberalization of the basic principles governing service connection, and is not a bar to service connection for a disorder discovered beyond that time frame. See 38 C.F.R. § 3.303(d). The Veterans Administration has consistently interpreted the law to permit the establishment of service connection wherever the evidence supports a finding that a particular disabling condition had its origin in service, no matter how many years have elapsed. Section 354(a) of title 38 specifies that VA adjudication will include due consideratic

being given to the places, types, and circumstances of service, and provides additional liberalizing criteria for evaluating service-connected claims of combat veterans.

In essence, the present law pertaining to presumptive service connection requires no modification. In fact, the proposed language could very well result in service-connected benefits being granted to individuals whose disabilty is not traceable to service, so braod is its scope. This is because the language proposed to be added by section 203 of the bill merely requires that the veteran had been "exposed," without addressing the vital questions of the amount and nature of exposure, the duration of time before manisfestation of disability, the type of disability, and the possibility of other radiation or substance exposure in civilian life. We might also observe that there is an internal inconsistency in that initially the language in section 203 of the bill makes exposure a prerequisite, t hen provides below that there need be "no record of such exposure." In sum, as noted previously, the Veterans Administration believes that current statutory and regulatory standards for entitlement to service connection should not be disturbed.

This same tenuous connection between alleged exposure in service and development many years later of any disease symptomatic of exposure would form the basis under this proposal for open-ended eligibility for health care. Such eligibility would be

on the same basis, and with the priority granted a service-connected veteran.

The need for this radical departure from existing medical care eligibility is not readily apparent. Veterans who require hospital care for any disease or disorder and are unable to defray the cost of such care are eligible for and do receive excellent care in our health care system. We can find no real need or justification for creating this novel, questionable presumption. Moreover, the provision itself is overbroad in its reach, in coverage of almost any disease or disorder for any veteran without regard to any other factor unless "affirmative evidence" demonstrates that the condition was not incurred in service. Apart from instances of trauma, this burden is virtually impossible to meet.

As for the provisions of S. 26 that would introduce the innovation of the concept of service connection of the abnormality of a child, we believe they are premature. Sympathetic though we are to those who harbor concerns about birth defects in children of veterans who may have been exposed to ionizing radiation, toxic substances and the like, we must also confront the scientific realities. In short, we know of no consensus in the scientific community holding that exposure of males to the instrumentalities cited in this bill bears any etiological relationship to subsequent birth defects in the exposed individual's offspring.

Amending current law to characterize a child as a "veteran" for purposes of compensation and treatment is a radical step in itself; certainly, in the absence of a firm scientific basis for the assumptions underlying the proposed changes, such a step would be ill-advised.

Similarly, the proposed mandatory establishment of a program to screen millions of veterans who may have been exposed to toxic and other substances represents a dramatic, but questionable idea. In its mandatory, comprehensive approach, the screening provision would deprive VA health professionals of discretion and, without regard to the likely effectiveness and cost of such a step, would take the VA well beyond its efforts to focus screening carefully at critical, selective targets such as exposure to dioxins.

We at the Veterans Administration are acutely aware that the issues relating to the long-term health effects of exposure to radiation and various chemical, biological, and other toxic substances are controversial, emotional, and, unfortunately, only superficially understood by the public. As part of our continuing responsibility to veterans, as well as the public at large, we are actively addressing this complex and controversial issue, and are closely following the ongoing scientific inquiry. It is our

recommendation to this Committee, however, that the portions of S. 26 that would alter long standing law pertaining to compensation and health care entitlements should not be enacted. For the reasons stated above, we would oppose enactment of titles II and III of S. 26.

VIETNAM VETERAN ISSUES

Agent Orange

Section 4 of S. 636 (other provisions of which we will discuss later) would authorize the VA to expand the scope of the Agent Orange epidemiological study which the VA is to conduct.

The Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151) enacted December 20, 1979, requires the VA to design and conduct an epidemiological study of persons exposed to phenoxy herbicides or any of the class of chemicals known as "the dioxins" while serving in the United States Armed Forces during the Vietnam conflict, to determine if long-term adverse health effects may have resulted from such exposure. In addition, the Administrator is required to conduct a comprehensive review and scientific analysis of the literature relating to whether there may be long-term adverse health effects from exposure to dioxins.

Provisions of S. 636 would authorize the Administrator to expand the scope of the epidemiological study to include an evaluation of the long term adverse health effects which may have occurred as a result of other factors, "including exposure to other herbicides, chemicals, medications, or environmental

hazards or conditions." The bill would also provide that the scope of the literature analysis may be expanded to include literature relating to long-term adverse health effects which may occur in humans as a result of other factors involved in service in Vietnam, or in other comparable situations involving one or more of the factors which may be considered in the expanded scope epidemiological study, as authorized by this bill.

We share the view underlying this proposal, i.e., that there may be benefits to be derived from expanding the scope of the epidemiological study to examine factors other than dioxins which may have been present in Vietnam in trying to resolve the concerns that veterans have expressed about exposure to Agent Orange resulting in a long-term adverse health effects. We wish to note, however, that in our judgment, it is not possible to conduct a study, or even a series of studies, which would examine individually the many factors which could conceivably have had adverse health effects on those veterans who were present in Vietnam, let alone the synergistic effect of any given combination of those factors.

As you are well aware, the commencement of the epidemiological study has been long delayed in litigation and by the filing of a pre-award protest with GAO by the National Veterans Law Center. Upon completion of the review, the GAO exonerated the VA, thus clearing the way for procurement of a contractor to design the study. We are proceeding with this process as rapidly as possible

under the mandate of Public Law 96-151 and anticipate that the contract to design the study will be awarded shortly. Subsequent to the award, the contractor will have a period of 60 days to prepare and submit to the VA the initial design of the epidemiological study.

We would advise the Committee that questions have recently arisen casting doubt on the likelihood that the study of dioxins mandated by Public Law 96-151 will ultimately yield definitive findings as to the significance of exposure to dioxins in Vietnam. Due to the difficulty which has been encountered in quantifying the extent of exposure to dioxins among ground troops in Vietnam, doubts have been raised by the scientific panel of the Interagency Work Group about the likelihood of obtaining a scientifically valid epidemiological study of adverse health effects which may have resulted from dioxin exposure. After the initial study design has been received we will be better able to determine what can be learned by an epidemiological study, and what factors, if any, other than dioxins, can be included in such a study. It is not at all unlikely that the best course for the VA study to take would be an examination of adverse health effects which may be associated with Vietnam service, without regard to which specific "factors" may have caused such adverse effects. Such a study would be meaningful for VA purposes, we believe, as it could provide a basis for awarding benefits if disabilities were discovered among Vietnam veterans.

In the event that a study focusing on dioxins and Agent Orange is deemed to be scientifically infeasible, we would so inform the Congress in order that it might consider a further modification of this legislation as appropriate.

As you are aware, the Veterans Administration now conducts and participates in extensive medical research under the authority of section 4101(c) of title 38, United States Code. Although we believe that under this provision of law the Administrator already has authority to examine factors other than dioxin during conduct of the epidemiological study, we have no objection in principle to authorizing the expansion of the scope of the epidemiological study. Our fundamental concern is to determine if veterans who served in Vietnam have suffered adverse health effects as a result of that service. Enactment of these provisions of S. 636 would provide the VA a clear congressional sanction for the expansion of the study's scope, if that is determined to be scientifically feasible.

Until the study design has been completed and reviewed by the various scientific bodies who have agreed to participate in that effort, we cannot estimate reliably the cost of implementing the proposed expansion.

A contract for the conduct of a comprehensive review and analysis of the world's literature on Agent Orange and other phenoxy herbicides was awarded on December 15, 1980, in accord with the

requirement of Public Law 96-151. That literature review has already been started and the work is progressing rapidly. A modification of the scope of the literature review would necessitate either a negotiated extension of the present contract or the execution of an entirely new contract. We believe that the proposed modification of the literature review would tend to frustrate our mutual concerns due to the delay that would result. The contracted price for the literature review now being prepared is $109,000. The cost of such a proposed expansion in scope would depend on the number of additional factors which are to be considered, the volume of literature on those factors, and the bids received. Due to the uncertainty of these elements, we are unable to estimate the cost of implementing this provision.

In conclusion, we have no objection in principle to the enactment of these provisions of S. 636.

S. 636 as well as another measure before you, S. 689, would also require the Administrator to promulgate regulations following the completion of the epidemiological study mandated by Public Law 96-151 to implement its findings for purposes of payment of disability compensation and dependency and indemnity compensation within 90 days of submission of each study report to the Congress beginning two years after the study begins, and annually thereafter. The Administrator would be required, apparently without possible regard for negative findings, to issue regulations containing the

guidelines, standards and criteria for "resolving" benefits claims for service-connected disability or death based on exposure to Agent Orange.

Without question, it is the desire of all concerned about Agent Orange to address policy questions as to whether veterans have suffered adverse health affects as a result of any factors involved in Vietnam service as soon as possible. It should be recognized that conclusive scientific answers may not be available for some years at best. Therefore, it is impossible to predict that each report issued in the study would yield sufficient findings upon which to base regulatory action. As hopeful as we all are to achieve progress in this area, early findings may be so indeterminative as to preclude promulgation of regulations, which we could not issue without an established etiological relationship between herbicide exposure and subsequent disability.

For these reasons, we do not believe it would be appropriate for the Congress to require issuance of regulations without regard to the study results and the Administrator's interpretation of those results.

Under each bill, the regulations would be issued pursuant to the rulemaking provisions of the Administrative Procedure Act, specifically sections 553(b) and (e), 556, and 557 of title 5. Section 553 is the section under which this agency currently conducts its rulemaking. Similar to the process described in the

bills, proposed regulations, with explanatory preambles, are published in the Federal Register for public comment. Final regulations are issued by a second Federal Register publication after the public comment period has closed and the comments received, if any, are evaluated. The proposed regulations may or may not be modified prior to final publication. No further statutory direction is necessary to require the VA to issue any possible regulatory standards or criteria in this manner.

The other cited sections of the APA, however, contemplate issuance of regulations only after a formal process of presentation of evidence by interested parties before an administrative law judge. Under these sections, proposed agency regulations could be sustained only by evidence introduced on the record. These APA sections on so-called "formal" rulemaking only apply when a statute specifically requires a hearing. No statute heretofore has imposed such a requirement on the VA, and we oppose such a departure for this one limited category of claims. As a practical matter, the formal rulemaking process lends itself best to the activities of regulatory agencies, and not to an agency which primarily delivers benefits and services. We would anticipate that VA and the Congress would reach a consensus on the etiological relationship between exposure to herbicides and development of disability long before the objective evidence compelled an administrative law judge to overrule the VA.

The two bills would each require the regulatory standards issued to specify any presumptions to be applied, including presumptions for the type of service and exposure to be recognized. With regard to exposure, we have made it a policy to concede, or presume, exposure to Agent Orange by any veteran who alleges exposure, so long as he served in Vietnam and there is no positive evidence to the contrary.

With regard to the presumptions for specific diseases, existing law (38 U.S.C. § 301) provides discretionary authority for the Administrator to add to the list of chronic diseases for which service connection may be granted. The various Administrators over the years have not exercised this discretionary authority. We believe that determinations of presumptions are more appropriately made by the Congress, taking into consideration the views and the recommendations of the Executive Branch. Generally, the legislative approach is more appropriate because it recognizes that decisions may be influenced by factors other than conclusive scientific evidence. Historically, the present statutory presumptions for certain diseases and disabilities (38 U.S.C. §§ 301, 312) have evolved since Congress first enacted presumptive service connection in 1921, and have been codified and augmented by legislation on various occasions, most recently in 1970 when provisions directed toward POW's were added.

Although we have no significant objection to the remaining provisions of these bills, we oppose enactment of the provisions discussed above in S. 636 and S. 689. The remaining provisions would direct the Administrator to submit to Congress any

legislative recommendations he might have following receipt of reports under this section. He would also not be precluded by this amendment from issuing regulations, guidelines, standards, or other criteria for adjudication of herbicide-related claims at any date earlier than specified in the bills. Lastly, the VA's compliance with the provisions of these bills (including the regulations issued pursuant to the bills) would be subject to judicial review under chapter 7 of title 5 (The Administrative Procedure Act). This latter provision would apparently do no more than allow a court to require VA to comply with the procedures in the bills, and would not appear to add to the authority of a Federal court to review the substance of VA's actions under the bills.

READJUSTMENT COUNSELING:

Section 103 of Public Law 96-22 provides, in effect, that without regard to other eligibility criteria, veterans of the Vietnam Era are eligible during a two-year period for VA counseling to assist in their adjustment to civilian life and for related mental health services. That two-year eligibility period runs from October 1, 1979, the effective date of section 103, for veterans discharged prior to that date. Veterans of the Vietnam Era who were still on active duty in October 1979 remain eligible for these services for two years after their discharge or separation.

Three of the bills before the committee today would extend the period of eligibility for readjustment counseling and related services for those veterans whose two-year eligibility will expire on September 30, 1981. S. 26 and S. 458 would extend the period of eligibility for two years, until October 1, 1983; S. 872 would extend that period of eligibility for three years.

S. 458 would also extend any Vietnam-era veteran's period of eligibility for such readjustment counseling if, as determined by the Administrator, such veteran was precluded from receiving such counseling either by reason of incarceration or because of a medical condition. Under this provision such veteran's extended period of eligibility could not exceed the period of time that the veteran was prevented from receiving such counseling.

Beyond extending the duration of the veteran's eligibility for the program, Title III of S. 26 would provide that the Administrator, under regulations he may prescribe, shall contract for (on a fee-for-service or other basis), or "utilize" psychiatric, psychological, preventive health care, psychological readjustment services, and counseling services, from both public and private sources, including community mental health centers, veterans service and self-help organizations, and other community-based facilities which are considered more effective or beneficial than comparable VA services for the counseling, treatment,

rehabilitation, or readjustment of the veteran or dependent. This measure would require the VA to arrange or assist in arranging for these non-VA services in any of the following circumstances: (1) when such services are considered necessary or appropriate for the veteran's or dependent's successful readjustment, and comparable VA services are either unavailable or inadequate, (2) when the necessary travel distance would place an undue hardship on the veteran or dependent, (3) when the hours VA services are available are incompatible with the time available to the prospective client or would result in hardship to him or her, or (4) when the non-VA services are considered more beneficial to the veteran or dependent than comparable VA services.

S. 26 would also direct the Administrator to coordinate VA's psychiatric, psychological, social work services, and readjustment counseling and related research programs with non-VA public and private readjustment programs and to provide comprehensive integrated readjustment and rehabilitation services through counseling and assisting veterans to obtain assistance through other public and private programs. The measure would also require the Administrator to conduct or contract for studies on the psychological and sociological effects of the Vietnam conflict, of military service, and of the readjustment process on Vietnam veterans, and report his findings and recommendations to Congress.

Mr. Chairman, the need for a program like "Operation Outreach" was debated for many years before it was finally authorized by Congress in 1979. Similar legislation had been under consideration since 1971. With the lapse in time since most Vietnam veterans' discharge from service and the end of the Vietnam Era, Congress ultimately made a judgment that a two-year eligibility period would be sufficient in duration to assist those who had not otherwise made a satisfactory adjustment.

While it is true that VA's 91 Outreach Centers cannot directly serve all the Vietnam-era veterans who seek such assistance nationwide, we view Operation Outreach as having gone a long way toward meeting the readjustment problem it confronted. We believe this program has helped reshape the climate of public opinion and receptivity toward the Vietnam veteran. The program has also attracted to the VA and to its regional office benefits' programs great numbers of veterans who previously had had little confidence in or contact with the Agency.

We do not suggest that Operation Outreach will have resolved entirely the problems it set out to address. The program has, however, delivered services to many thousands of veterans and family members. Moreover, it has both introduced the VA to Vietnam veterans as a caring partner, and helped

teach the agency much about the special needs and concerns of this group of veterans. In essence, we do not view this program as ending a commitment. Rather, we believe the agency can build on the gains achieved by Operation Outreach, to continue to serve Vietnam-era veterans. While there were sound reasons for implementing VA's readjustment counseling authority through a community-based delivery and referral mechanism, it was never intended that the outreach center be other than a short-term facility.

It must be recognized, as regards needs which may still be unmet among Vietnam veterans, that VA facilities do offer alternative programs that have successfully assisted veterans for many years. For example, our statistics show that 73 percent of our clients nationwide have, before contact with Operation Outreach, been served by other VA programs. And 22 percent of problems seen in Operation Outreach are referred back to VA or other community facilities for treatment.

The allocation of scarce budget dollars necessarily involves difficult judgmental evaluations among many fine programs and proposals. Accordingly, based on the determination by Congress that a two-year special eligibility period was sufficient, the success Operation Outreach has had, the overall demand for budget stringency, and the fact that other VA and community resources can continue to address unmet needs of Vietnam veterans, we must oppose any extension of eligibility.

We estimate that the enactment of either S. 26 or S. 458 at current staffing and resource levels would result in expenditures of at least $29.58 million for each year of extended eligibility for readjustment counseling services. Accordingly, S. 26 and S. 458 would result in a minimum two-year cost for this program of $59.16 million. S. 872 would have a three-year cost of approximately $88.74 million. In addition, enactment of either S. 26 or S. 458 would entail significant additional costs associated with the program; those costs must at this time be characterized as indeterminable. For example, as regards S. 458, we lack reliable data on which to project the numbers of veterans incarcerated in federal, state and local facilities who might in the future avail themselves of eligibility for readjustment counseling services. Similarly, the contract authority in S. 26 defies reliable cost projection.

In considering those contract provisions of S. 26 generally, however, our analysis must necessarily start from our experience under existing law. In implementing the readjustment counseling authority in Public Law 96-22, we have not found the law's contract authority to offer a cost-effective alternative to VA-provided services. Reliance on VA resources eliminates the expense of overseeing a contract and the costly fees for the provision of services, of course. Moreover, we must acknowledge that the Veterans Administration has to

date encountered extreme difficulty in establishing a viable readjustment counseling contract and fees-for-service mechanism. Specifically, we found that using our existing contract and fees-for-services mechanism would generate a workload which could not be managed. Furthermore, additional burdens would be placed on our medical administration service to conduct the extensive evaluations and oversight visits of potential new contractors required for effective implementation.

We have also explored the possibility of contracting out these administrative functions. However, it became obvious that to rely on a contract intermediary as a means to administer the fee-for-service component of the readjustment counseling program would be prohibitively expensive. Rather than to select such an option under which only some 20 or 30 cents of each appropriated dollar would reach the veteran in need, we concentrated our efforts on service delivery through our own facilities.

Accordingly, the contracting provisions of S. 26, which appear to contemplate broader reliance on contracting than did Public Law 96-22, would simply have the Agency drain resources in a direction that we have found is not cost-effective. Further, not only do we view the contracting provisions of S. 26 as unwarranted but, in extending to veterans far broader access to contract care than exists in other VA medical programs, we see those provisions as inequitable.

Title III of S. 26 would also require the Veterans Administration to conduct or contract for comprehensive studies related to the Vietnam veteran. This proposal appears to reflect unawareness of the extensive work already underway in this area. For example, the VA recently submitted to Congress the study, "Legacies of Vietnam: Comparative Adjustment of Veterans and their Peers." This was a comprehensive study completed on a contract basis at a cost of approximately $2 million. In addition, our medical research service has called for research proposals dealing with the psychosocial problems of the Vietnam era veteran, and as a result of this emphasis, has approved six research proposals in this area. In 1979, the National Institute of Mental Health issued a similar request, and as a result has since approved and funded five research proposals dealing with the psychosocial problems of Vietnam veterans. In light of the research and study efforts already undertaken in this area, legislatively mandating the commitment of additional resources for these purposes appears unwarranted.

We have already indicated that we do not support the extension or expansion of the readjustment counseling program.

In concluding our discussion of those legislative proposals, however, we would emphasize that our position on these specific proposal does not signal an end to our concern for the Vietnam-era veteran. Every effort will be made to utilize existing resources to serve this veteran population.

VOCATIONAL REHABILITATION AND EDUCATION PROGRAMS

Mr. Chairman, S. 458 contains three provisions which propose to amend our vocational rehabilitation and education programs. One change provides that a veteran who served during the Vietnam era and whose 10-year delimiting period has expired would be allowed a new period of 2 years from October 1, 1981, until September 30, 1983, to pursue a program of apprenticeship or other on-job training, an approved vocational objective course, or a secondary education course. The secondary training could be pursued only if the veteran does not already have a secondary school diploma or an equivalency certificate. For the purposes of this extension, a program of education consisting exclusively of flight training could not be approved.

The Veterans Administration is opposed to any further extensions of the current 10-year delimiting period such as is proposed here since we believe any such extension of this type would not be consonant with the readjustment intent of the current GI Bill program. We believe that enacting such a broad extension would lead to other recommendations for extensions. We can also foresee that this proposal could result in additional abuse of our education programs since there are many vocational schools which use a variety of devices to enroll a large number of VA students, followed by heavy attrition as these students fail to complete the course.

Training unskilled veterans in vocational schools or in secondary schools is not a guarantee of successful job placement even as to those who complete the course. Also, we believe there are other Federal programs available under which these individuals may be provided the education they need to obtain necessary job skills.

While the proposal would specifically exclude flight training, we question whether it is the intention of the proposal to allow correspondence training. As you are aware, the Administration has proposed legislation which would terminate the authority for pursuit of both correspondence and flight training programs effective July 1, 1981. This recommendation has been included in S. 918, recently introduced in the Congress at our behest by Chairman Simpson. We would, therefore, strongly oppose any new authority to pursue correspondence training since we have determined that it does not lead to substantial gainful employment and it has been found that many individuals have used this type of training primarily for recreational or avocational purposes.

A second proposal contained in the measure would amend our vocational rehabilitation program to provide that the term "medical condition" means a disability, including an alcohol or drug dependence or abuse disability, of a veteran. The effect of this proposal would be to extend the eligibility period for pursuing vocational rehabilitation programs because of an alcohol or drug dependence or abuse disability.

Basic entitlement to a rehabilitation program under the terms and conditions of our vocational rehabilitation law is limited to veterans who have a service-connected disability which is, or but for the receipt of retired pay would be, compensable under chapter 11 of title 38. The change proposed to be made in the bill would, if enacted, represent a significant departure from this basic program purpose and current VA policy relating to extensions of periods of eligibility for a rehabilitation program due to infeasibility resulting from a medical condition.

Current policy for vocational rehabilitation programs limits consideration of medical conditions to those which are ratable for compensation purposes. Since alcoholism and substance abuse are not ratable for compensation purposes, these conditions cannot be considered for purposes of extensions of periods of eligibility for chapter 31.

We are, therefore, opposed to the extension of eligibility as is proposed in the bill.

The third proposal contained in the measure proposes to amend section 1662(a) of title 38 to provide that alcohol and drug dependence would not be considered willful misconduct in the case of a veteran who applies for an extension of the 10-year delimiting date for pursuit of a program of education based on physical/ mental disability.

We see no reason why alcoholism and drug dependence should be considered special categories that would not be considered willful misconduct. We believe there are other areas which coul just as easily be rationalized as not being willful misconduct

for benefits purposes. We would, therefore, oppose any easing of our traditional position that alcoholism and drug dependence should be considered willful misconduct.

VRA Appointments

Section 5 of S. 458 would extend for two years the period of eligibility for veterans readjustment appointments in the civil service for veterans of the Vietnam era.

Section 3 of S. 636 and S. 380 would extend by twelve months the period during which funds appropriated for VA grants for new State medical schools may be expended. Public Law 92-541 (1972) authorized a VA grant program for the establishment and support of new State medical schools, with funds to remain available for expenditure until the end of the sixth fiscal year following the fiscal year in which they were appropriated. Under this time-limited authority five State medical schools were established in Texas, Tennessee, South Carolina, Ohio and West Virginia, affiliated in each case with VA medical centers. Under existing law, sums appropriated for these grants remain available for expenditure only for the seven-year period.

After the five new State medical schools received their grants, many delays were experienced in their program plans, and faculty recruitment was not completed until well into the seven-year program. As a result, most of these schools will have unexpended funds remaining in their accounts when the authorization to expend such funds expires. We believe the full use of all appropriated funds is both consistent with the intent of Public Law 92-541 and of value not only to the new medical schools, but

to their affiliated VA medical centers as well. The VA has been the primary means of support for the establishment of these medical schools, and we therefore have a deep interest in their continued development and operation.

Both S. 380 and section 3 of S. 636 would permit funds already appropriated for VA grants to new State medical schools to remain available until the end of the seventh (instead of the sixth) fiscal year following the fiscal year in which they were appropriated.

Either measure, if enacted, would enable the five new medical schools to utilize the funds already appropriated and committed to each of them over an eight-year period instead of a seven-year period. Neither provides for authorization of any additional appropriations for these medical schools.

In view of the benefits to this Agency and our mission which would accrue from a one-year extension of time to expend these appropriated funds, we favor enactment of legislation such as S. 380 or as is contained in S. 636.

Mr. Chairman, S. 921, which you recently introduced at our request, would extend our special authority to provide contract medical care in Puerto Rico and the Virgin Islands and the other possessions and territories until September 30, 1982. As you know, we are authorized under chapter 17 of title 38, United States Code, to provide veterans in Alaska, Hawaii, Puerto Rico, and the territories and possessions of the United States contract hospital care or outpatient care to obviate the need for hospitalization.

Provision of such care and services is conditioned on the requirement that the annually-determined hospital patient load and the incidence of the provision of medical services for veterans hospitalized and treated by the Veterans Administration in each such State, territory, possession, or Commonwealth be consistent with the level of such care and services provided within the 48 contiguous States. However, the Administrator is authorized, if necessary to prevent hardship, to waive the restriction on the amount of contract hospital care and medical services which may be furnished in Puerto Rico and the Virgin Islands. This contract authority is in effect until December 31, 1981, with respect to the territories and possessions, and the Commonwealth of Puerto Rico, but is permanent with respect to Alaska and Hawaii.

Section 8 of the Veterans Administration Program Extension Act of 1978 (Public Law 95-520) required the Veterans Administration to conduct and submit to Congress and the President a report assessing the health care needs of veterans in Puerto Rico and the Virgin Islands and recommending how those needs should be addressed. The report was submitted to the Congress on March 10, 1981, and found generally that the male population of Puerto Rico and the Virgin Islands has a somewhat poorer state of health than the male population of the United States. The availability of non-VA medical resources in Puerto Rico and the Virgin Islands is very limited and the percentage of service-connected veterans is higher in the Puerto Rico and Virgin Islands veteran population than in the United States veteran population. Another important

finding as discussed in the report of the study is that the economic status of Puerto Rico and the Virgin Islands veterans is worse than the economic status of the U.S. veteran.

As of today, there remain only eight months during which the VA has authority to provide medical care under section 601(4)(C)(v) of title 38. Mr. Chairman, on March 24, 1981, the Acting Administrator transmitted to the Congress the draft bill which you introduced. The VA favors the extension proposed in S. 921.

In our transmittal letter of March 24, we projected costs for this extension of less than $1 million. Upon closer examination, a more realistic projection of the costs associated with this legislation is $2.9 million, although this would not require the addition of new monies to the Budget.

National Cemeteries

Mr. Chairman, S. 914, a bill which you introduced recently at our request, would permit the Administrator to make contributions to local authorities for the construction of traffic controls, road improvements or other devices adjacent to a national cemetery if considered necessary to facilitate safe ingress or egress.

It has become evident to the VA, in its administration of the national cemetery system, that specific statutory authorization is required to undertake construction projects to improve safety conditions at the entrance to national cemeteries. Under current law, in the absence of express statutory authority, such construction projects are generally prohibited by the well-established rule proscribing Government expenditures of appropriated funds for

the permanent improvement of private property. Although exceptions to that rule have been recognized by the Comptroller General and have been applied by the Veterans Administration to justify a limited number of improvements to private property adjacent to national cemeteries, we believe specific statutory authority under which this Agency could assist localities in constructing such needed improvements would be a more satisfactory means of achieving these results. The proposed legislation would address and resolve these concerns.

In advancing this proposal, Mr. Chairman, the agency seeks authority comparable to that in section 5008 of title 38, U.S.C., which authorizes the Administrator to make contributions to local authorities for construction projects adjacent to Veterans Administration medical facilities if considered necessary for safe ingress or egress.

S. 914 would accomplish these objectives and help us meet the agency's responsibility to provide and maintain the safest possible conditions at our national cemeteries. Enactment of S. 914 would result in an estimated five-year cost of $500,000.

Mr. Chairman, this concludes our testimony. Members of my staff as well as representatives of other departments of our agency are available to respond to any questions you may have.