

# ***April 2009 Department News Bulletin***

## ***SOCIAL SECURITY BENEFITS Update 01:***

Many seniors believe that Social Security benefits are guaranteed and cannot be taken away by Congress. However, it is important always to understand that Congress has the authority to change the current benefit scheme or raise Social Security taxes at any time and for any reason. Under current law Congress collects Social Security taxes of more than \$785 billion from the current workforce of approximately 163 million workers. The money collected is used to pay out nearly \$585 billion to 50 million social Security recipients. The difference between what is paid out and what is collected, known as the surplus, is placed into a 2.2 trillion Trist fund and invested in non-marketable special issue government securities to meet future obligations. These special securities are similar to Treasury notes but are only available for purchase by the trust Fund and related government owned trusts. The note serves to pay the costs of past debts and the expense of its current deficit. In other words, the surplus is traded for an IOU to the social Security trust fund.

The government spends the funds on everything from debt obligations, to illegal alien health care and things in between and beyond. But the government's debt keeps growing and at some point the IOU will come due. When it does, its payment means more borrowing, benefit reductions or higher taxes. As long ago as 1983, Congress accepted the Greenspan Commission recommendation to sharply increase payroll taxes for Social Security, raise retirement age, and reduce benefits because the program was going broke. Today, we face a similar situation. According to Social Security trustee estimates, around 2016 the amount of social Security benefits paid will exceed taxes collected. When that happens, Social Security benefits are defenseless against actions of Congress to reduce the earned benefit of Social Security. In the U.S. Supreme Court decision *Flemming vs. Nestor* (1960), the Court held that there are no accrued property rights to payment of Social Security benefits. Congress can do anything it wants. That means our trust in the program is a political promise from Capitol Hill. To secure that promise we need to protect our Social Security Trust fund, stop robbing our future and stop social security benefit cuts.

At the start of the 111th Congress, the Social Security Protection Act (H.R.236) was introduced by Rep. Ginny Brown-Waite (R-FL) to protect the Social Security beneficiaries against any reduction in benefits. If enacted it would prevent Congress from the consideration of any legislation or joint resolution that reduces current benefits or cost-of-living increases to Social Security beneficiaries. The author of the bill is a strong veterans supporter as well as a key member of the House Ways and Means Committee, which is at the epicenter of decision-making on social Security. The bill would stand as a bulwark against the continuing raid on social security to pay for day-to-day operations and pork barrel projects. It would offer a special protection against congressional weakening of benefits and provide a measure of comfort to many "Americans who rely on their monthly retirement check for their entire retirement. All present and potential beneficiaries of the Social Security program are encouraged to contact their legislators to ask them to cosponsor H.R.236.

[Source: NAUS Journal Mar/Apr 2009 ++]

## ***LONG-TERM CARE for VETS:***

The Department of Veterans Affairs needs to revamp its long-term care planning process or face shortages of funds and personnel, according to a report released by the Government Accountability Office last month. The audit of VA's strategic plan for providing institutional care in nursing homes and noninstitutional care in veterans' homes or the community showed that VA underestimated cost projections and workload assumptions, which could lead to trouble in the future. According to GAO, VA has plans to increase workload to close gaps in noninstitutional care by a factor of 167% between 2007

and 2013. In its FY 2009 budget justification, VA estimated that it will increase its long-term care spending over FY 2008 using cost assumptions that appear unrealistic, GAO says. VA estimated that spending for both nursing home and noninstitutional care would increase by about \$108 million and \$165 million respectively. This would bring the total to \$4 billion for nursing home care and \$762 million for noninstitutional care.

However, this increase was arrived at by assuming that nursing home costs would increase 2.5% in that year - a number that GAO considers unrealistically low. The GAO considers the VA's estimate of the increase in costs for noninstitutional care too low as well. In its 2009 budget justification, VA did not explain how it would increase the workload of long-term care services to meet its goal of a 167% increase by 2013 while keeping to such a low budget increase. The GAO report includes several recommendations to ensure VA's future projections do not leave the department coming up short. Those include using realistic cost assumptions and workload projects for estimating spending and providing a full report on which measures they are using for their estimates to increase transparency for Congress and for future GAO audits. VA officials received an early copy of the report and agreed with the recommendation for more transparency; however, the change in administration occurred before the VA leaders responsible for the FY 2009 budget could comment on the specifics of the report. According to VA numbers, the department provided noninstitutional long-term care to 41,022 veterans in 2007, and projects that it will be required to provide such services to over 109,000 by 2013.

[Source: U.S. Medicine Stephen Spotswood article Mar 09 ++]

### ***VA VET CONTAMINANT EXPOSURE Update 01:***

Officials say more than 3,000 patients at a Veterans Affairs hospital in Miami had colonoscopies with equipment that wasn't properly sterilized. They've been told they should be tested for HIV and other diseases. The VA insists the risk of infection is minimal and only involved tubing on equipment, not any device that actually touched a patient. Worried military men and women flooded the Miami hospital's telephone hot lines 24 MAR after the announcement had been made. The hospital received 2,662 telephone calls, and 351 veterans visited VA clinics in Miami and Fort Lauderdale to ask about their status and to schedule testing, said" Dr. Vara, the chief of staff at Miami's VA Healthcare System . Asked what went wrong at the Miami VA , Vara said, "I can't say for sure. There are manufacturers' recommendations about how things should be handled. Not infrequently in healthcare it may not be implemented in quite that way." But it's the second recent announcement of errors during colonoscopies at VA facilities. Last month, more than 6,000 patients at a clinic in Tennessee were told they may have been exposed to infectious body fluids during colonoscopies. The VA also said 1,800 veterans treated at an ear, nose and throat clinic in Augusta, Ga. were alerted they could have been exposed to an infection due to improper disinfection of an instrument.

As of 26 MAR Veterans Affairs officials would not say if mistakes that may have exposed patients to infections at medical centers in Tennessee and Florida and a clinic in Georgia have been discovered elsewhere. The VA declined to answer four Associated Press requests over the past week about the results of what the department described as a nationwide procedure and training review that was to end 14 MAR. VA spokeswoman Laurie Tranter said the department did plan to issue a response later. Nashville lawyer Mike Sheppard said his firm is preparing to file claims on behalf of up to 15 colonoscopy patients, including several who have since tested positive for hepatitis B. He said an elderly man who had cancer when he had a colonoscopy died shortly afterward. "We are investigating the death," Sheppard said.

US Sen. Bill Nelson (D-FL) and Rep. Kendrick Meek (D-FL) are both "requesting an official inquiry by the inspector general of the VA." In a letter to VA Secretary Eric Shinseki, Nelson said he is also concerned about possible contaminated equipment at facilities in Murfreesboro TN and Augusta

GA.. "I am requesting that the VA Office of Inspector General begin an investigation into the potential problems of contamination; whether any patient has contracted an infection from unsterilized equipment; and, most importantly, how we can prevent such problems from happening again. Finally, I urge the VA to commit to providing ongoing medical care in cases where it is responsible for exposing someone to a disease", Nelson wrote. VA has no response as they have not yet received the letter. **The VA has notified and is providing free medical screenings to thousands of veterans across the South who had colonoscopies and other procedures with equipment that was not properly sterilized. The precaution to:**

- 6,400 veterans who received colonoscopies at the Alvin C. York Campus in Murfreesboro , TN , between April 23, 2003, and Dec. 1, 2008. These veterans should call 1-877-345-8555. More information is available at: <http://www.tennesseevalley.va.gov/news/endoscopyquestions.asp>.

- 3,260 veterans who had colonoscopies at the Miami VA Healthcare System Special Care Clinic between May 2004 and March 12, 2009. These veterans should call 1-877-575-7256. A press release is at: <http://www.miami.va.gov/pressreleases/MVAHSSCCUpdate001.asp>.

- 1,800 veterans who had Ear, Nose & Throat Clinic procedures at the Charlie Norwood VA Medical Center in Augusta, GA, from January through November 2008. These veterans should call 1-888-483-9674. A press release is at: <http://www1.va.gov/augustaga/page.cfm?pg=16>.

[Source: Navy Times, AP, Matt Sedensky, article 23, May 09 ++] applies

### **VET GUN CONTROL:**

Sens. Richard Burr (R-NC) and Jim Webb (D-VA) have joined forces to try to prevent veterans from losing the right to own a gun if a fiduciary is appointed to handle their finances. Burr and Webb, both members of the Senate Veterans' Affairs Committee, are trying to carve out a loophole for veterans in the Federal Gun Control Act that prohibits the sale of firearms to people who are, in the words of the law, "adjudicated as a mental defective." According to Burr, the names of about 116,000 veterans have been turned over to the FBI since 1999 because the Veterans Affairs Department assigned a fiduciary to manage their benefits. That is not the same thing as being a danger to themselves or others, Burr said in a statement included in Monday's Congressional Record when he introduced a bill, S.669, to prevent the VA from reporting the names of veteran to the FBI. "VA focuses on whether or not benefits paid by VA will be spent in the manner in which they were intended," Burr said. "Nothing involved with VA's appointment of a fiduciary even gets at the question of whether an individual is a danger to themselves or others, or whether the person should own a firearm."

The bill, the Veterans Second Amendment Protection Act, was referred to the veterans committee for consideration. Veterans are not the only ones affected, he said. A surviving spouse or child of a veteran might also have a fiduciary appointed if VA is concerned about their financial responsibility. In the case of a child, their name could be permanently on the list unless they petition for its removal, he said. "This makes no sense." Burr said the law is unfair because while the names of veterans and people receiving veterans benefits are reported to the FBI for inclusion in the National Instant Criminal Background Check System used by gun shop owners to screen buyers, the Social Security Administration is not required to turn over the names of any Social Security recipients who have someone appointed to handle their finances. Burr said he isn't trying to put guns in the hands of dangerous people but wants veterans treated fairly. Webb is the only Democratic cosponsor of the bill, which has 14 Republican cosponsors. The American Legion, Veterans of Foreign Wars and

other major veterans groups support the bill.

[Source: Navy Times, Rick Maze, article 24, Mar 09 ++]

### ***SSA DISABILITY CLAIMS Update 02:***

A joint hearing on 24 MAR of two House Ways and Means subcommittees will review how the Social Security Administration is addressing the significant backlog of disability benefits claims, and how additional stimulus funding could improve service. The agency is facing an unprecedented backlog of more than 1.3 million claims for Social Security and Supplemental Security Income disability benefits. The claims bottleneck seems to be particularly problematic at the hearings stage, where the backlog has more than doubled since 2000 - from about 310,000 claims to more than 765,000 - and the average waiting time per claim is now nearly 500 days. Congress gave SSA \$500 million in stimulus funds to tackle the growing pile of disability and retirement claims. Rep. John Tanner (D-TN), chairman of the Subcommittee on Social Security, and Rep. Jim McDermott (D-WA) chairman of the Subcommittee on Income Security and Family Support called the hearing. "Congress has responded to this crisis by providing the Social Security Administration with increased funds in order to begin to actively address this problem," McDermott said in a statement. "But it is time for the agency to take more action to significantly reduce the waiting period before an individual gets the benefits and services they need, while also ensuring the integrity of the process."

While Congress and SSA have been working to combat the problem, including developing a plan to eliminate the backlog by 2013, the agency continues to face new challenges. Social Security Commissioner Michael Astrue said in prepared testimony that the tough economy is causing a jump in disability claims beyond what the agency had projected and budgeted for. Astrue will tell lawmakers that SSA expects more than 2.9 million disability filings in fiscal 2009, about 300,000 more than the agency received in fiscal 2008. This number represents more than a 12% increase in new applications and is 13% higher than the amount anticipated in President Bush's fiscal 2009 budget. "The economic downturn, combined with the retirement of the baby boomers, and the fraying of our physical and technological infrastructure have diminished our ability to address our rising workloads and backlogs," said Astrue in prepared testimony. One of SSA's biggest challenges, Astrue will testify, is inadequate and unpredictable funding. The commissioner says he is confident that with sufficient and sustained funding, SSA will be able to eliminate the disability hearings backlog by 2013.

Tanner and McDermott said they also will look into how resource shortages have affected SSA's other responsibilities. The agency has cut back significantly on program integrity activities such as continuing disability reviews and redetermining Supplemental Security Income benefits, even though the reviews have been shown to save as much as \$10 in program costs for every \$1 spent. "We are committed to ensuring that the Social Security Administration ... receives the resources it needs to eliminate the huge backlog in disability claims," Tanner said in a statement. "We must also ensure the agency has the necessary resources to handle increased workloads associated with the economic recession, perform program integrity reviews and provide the highest quality service to the American people." Other witnesses at the hearing will include Patrick O'Carroll, SSA's inspector general, Dan Bertoni, director of disability issues for the Government Accountability Office's Education, Workforce and Income Security Team. The full list of witnesses and other details about the hearing are available on the Ways and Means Committee Web site.

[Source: [GOVExec.com](http://GOVExec.com) Elizabeth Newell article 23 Mar 09 ++]

## ***VA BUDGET FY 2010 Update 01:***

Republicans on the House Veterans' Affairs Committee are proposing a \$1.9 billion increase to the Obama administration's veterans budget request for 2010, a jump twice as large as the one proposed by Democrats on the same panel. About \$550 million of the increase in the Republican plan would be in discretionary programs, which include health care and administrative costs and money to run the national veterans cemetery system. The remaining \$1.36 billion would be in direct spending, which covers benefits, employment and training programs. Democrats, who proposed an \$800 million increase on 13 MAR, would use \$200 million of the total for operating expenses and \$600 million for medical expenses. Republican priorities include trying to improve the benefits claims process. A \$2.5 million increase would be used to hire 30 more people to train claims processors; \$170 million would speed deployment of a paperless claims adjudication system; and \$5 million would fund a two-year pilot program in which veterans could pick the regional office they want to process their claim based on a performance report. The single largest direct-spending increase, \$1 billion, would go to reauthorize an expired small-business loan program for companies owned by veterans.

The \$53.3 billion veterans health care budget proposed by Republicans is the same amount proposed by committee Democrats. Republicans ask that \$605 million of the increase be designated for a three-year pilot program to improve health care for veterans in highly rural areas by using non-VA providers, and \$100 million to modernize the VA's prosthetic limb program, which the Republicans said in a report is important "to meet the needs of the younger and more active amputees with the latest technology. Additionally, \$250 million would be designated to improve mental health programs and \$25 million to support family caregivers. The Democratic and Republican recommendations from the veterans committee were submitted to the House Budget Committee, which is responsible for drawing up the budget resolution that will be used to set tax and spending targets for federal programs.

The VA budget is likely to be considered too small by some veterans groups, even though the Obama administration's proposed \$4.9 billion increase would be the largest one-year increase ever in the veterans budget, both in dollars and percentage terms. Paul Sullivan of Veterans for Common Sense said the main problem is that VA is vastly underestimating the needs of Iraq and Afghanistan veterans who will be seeking medical care and benefits as operations in Iraq wind down. Sullivan said VA estimates it will treat 419,000 Iraq and Afghanistan veterans in 2010, but it already has treated 400,000 in 2009. VA should be bracing for a tidal wave, he said. He estimated that the department will treat 520,000 Iraq and Afghanistan veterans by the end of fiscal 2009 on 30 SEP, and will treat 640,000 by the end of 2010. "VA should be asked how they arrive at their consistently and wildly wrong estimates," Sullivan said.

[Source: Air Force Times Rick Maze article 18 Mar 09 ++]