''benefit'' from your efforts to bring VA up to the private, modern standards you admire are veterans with service-connected injuries or illnesses rate 10% or 20% disabling who do not meet an economic-need test that you failed to disclose and, thus, would lose their benefits. These veterans could have lost two fingers or four toes, or they might have persistent, moderate swelling of a foot as a residual of frostbite, or any of a wide range of other impairments—for which VA pays about 1.2 million veterans monthly compensation in the amount of $89 (the 10% rate or $170 (the 20% rate). These veterans, the target of your efforts to provide the ''benefits'' of what the private sector provides, will certainly be grateful for your efforts. I am also certain that they will find dismaying, as will all disabled veterans and all other Americans with disabilities, your unfounded conclusion that ''[d]isabity is no longer a major hindrance in finding work.''

You also urge that disability compensation payments be limited to those disabled as a result of ''direct'' active duty experiences. This apparently would mean that compensation would no longer be paid for disabilities incurred during military service unless it can be shown they were caused by the performance of official duties. However, military personnel are considered to be on duty 24 hours a day and are subject to military discipline and the military system of criminal justice around the clock every day of the year. Unlike civilian employees, who can refuse assignments and leave their jobs, service members cannot refuse orders sending them to remote or unfamiliar areas in the United States or overseas. Doing so would subject them to criminal prosecution, as would unauthorized absences. In addition, our people in uniform are often subjected to unusual physical and psychological stress, including the special dangers involved in training for combat and the horrible risks and unique hardships of armed conflict. In a very real sense, whatever happens to them during their period of service is in the line of duty.

Given these unique circumstances of military service, it is only fair and reasonable that the package of pay and benefits for our military personnel includes comprehensive health care during service and, thereafter, a system of disability compensation and medical benefits for any disabilities incurred during service. I see these benefits as essential to the maintenance of our All-Volunteer Force.

Moreover, I believe it would be a disgrace, as well as very harmful to recruitment, if our military were to take a young man who was left paralyzed from an off-base accident, for example in Thailand or on an icy road in New England, and simply send him back to his parents and tell them that the Government was not going to be responsible for his medical bills or pay him compensation to make up for his lost earning power. To me, that would be a tragic reversal of our current, very sound policies.

MEDICAL CARE

Your assertion that the VA health-care system provides poor care to American veterans is totally unsubstantiated—except for a newspaper article by a disgruntled former VA employee (hardly the type of scholarship expected of a prestigious policy institute). Our accreditation scores are consistently substantially higher than those in the private sector. You say that ''most telling is that only 9.6 percent of eligible veterans rely exclusively on the VA system for their health care.'' What this tells is not that VA provides poor service. Rather, it says that VA does not have the resources to treat many veterans who are not service-disabled or poor. Veterans groups tell us that many of their members who are locked out by current constraints would prefer to use VA health-care services.

You cite as evidence of poor medical care successful malpractice suits against VA of $254 million during the decade 1983–1992. That comes to an average of about $25 million per year. Our data indicate a slightly higher number, about $30 million annually. However, in the absence of any comparative data regarding the private sector, these numbers have no significance. In fact, when you consider that VA runs the largest health care system in the country and annually provides care to 2.5 million veterans, including 1 million episodes of inpatient care and 26 million outpatient visits, that figure does not seem out of line. Perhaps, your figures show just the opposite; that VA is providing high quality care.

You advocate a voucher system to provide health care for veterans. You say that this would permit veterans to choose their own insurance plans and that this would help save $7.9 billion over five years. I would really like to see the economic analysis underlying that ridiculous projection. To whom would you provide vouchers: The 2.5 million veterans who receive VA care in any given year; the 5 million who receive care over a five-year span; or the approximately 12 million service-disabled and low-income veterans who have entitlement to VA care? How much would these vouchers be worth? Would they be sufficient for our veterans with a history of heart attacks or cancer to purchase comprehensive health care? Would they enable veterans with chronic mental illness, diabetes, or epilepsy to obtain all the care they need? Would your vouchers cover the complete health-care and rehabilitation needs of veterans with spinal-cord injuries, missing limbs, and blindness? Would you provide vouchers for World War II veterans needing long-term care? Or would your vouchers shift major costs of care to sick and disabled veterans or simply leave many of them out in the cold?

Have you examined the several studies suggesting that VA care is less costly than private care? How did you arrive at your apparent conclusion that private care would be more economical?

I believe you also need to realize that about 1 million of our patients have Medicare eligibility but have chosen VA as their health-care provider.

You want VA to close many of its hospitals, and you claim that the majority of VA buildings are under-used. Our hospitals run at an occupancy rate of 75 percent, compared to the private sector average of 67 percent. Our nursing homes have an occupancy rate of over 90 percent; and our domiciliaries, 83 percent. What kind of survey enabled you to reach the preposterous conclusion that most VA facilities are underused? Again, I would like to see the underlying research and analysis.

You call for a halt to all new VA construction. You obviously haven't seen the things that I have—veterans housed in open wards, communal bathrooms, inadequate facilities for female patients. These deficiencies need to be corrected; and we need to meet the growing need for modern outpatient facilities and fill major gaps in inpatient care in certain areas. We can't just terminate our construction program, unless we wish to close down the VA system. Unfortunately, that appears to be your goal.

You also mistakenly took a swipe at VA construction as ''pork barrel spending.'' Very little pork creeps into VA construction, and your unfamiliarity with veterans' programs is revealed by your silly, mistaken reference to the appropriation of $5 million for bedside phones ''in Virginia medical centers.''

The appropriations conference report item you referred to used the expression ''VA medical centers.'' The money was to assist in VA's national effort to provide bedside phones in all VA hospitals. In the veterans' area, ''VA'' usually means the Department of Veterans Affairs, not Virginia. If you continue to work in this field, this is one of the many, many things with which you'll need to become acquainted. Most are more consequential, such as the extent of the Nation's obligation to those who have served and sacrificed so much and the gratitude that the American people feel for their defenders.

Because of your reputation as a think tank, your report will receive serious consideration in Congress. It's a shame that it is as lacking in concern for our Nation's veterans as it is in rigorous analysis and pertinent data. I wish you had done a better job.

Sincerely,

JESSE BROWN.

SPEAKING OUT ON MEDICARE/MEDICAID BUDGET CUTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1995

Mr. STOKES. Mr. Speaker, I want to thank my distinguished colleagues, FRANK PALLONE, KAREN MCCARTHY, and CAL DOOLEY, for sponsoring this special order. I am pleased to join them for this candid discussion on proposed budget cuts to the Medicare and Medicaid Programs.

The Republican plan calls for nearly $200 billion in cuts to Medicaid and other health initiatives. In my congressional district, and in communities throughout the United States, millions of Americans are served by the Medicare and Medicaid Programs. In spite of this critical need, in order to fund a tax cut for the wealthy, Republicans in Congress have placed Medicare and Medicaid on the chopping block. By taking this position, they are continuing to exhibit a callous disregard for those most vulnerable in our society—those in the dawn of life, our children; those in the twilight of life, the elderly; and those who are in the shadow of life—the sick, the needy and the handicapped.

Medicaid is America's largest health care program for the poor, covering about 60 percent of all Americans, This year, Medicaid will provide basic health care coverage for over 36 million low-income children, mothers, elderly, and disabled Americans.

Mr. Speaker, approximately 40 million Americans have no health insurance coverage. Without Medicaid, the number of uninsured would nearly double. This would result in needless suffering, and death and disease would increase. Further, we have not considered the drain this would create on the Nation's health care delivery system in treating those who are uninsured.

Between 1988 and 1994, Medicaid was expanded to provide coverage for pregnant women and children. This was done in an effort to decrease the Nation's infant mortality rate, and, at the same time, increase childhood immunizations. The expansion signalled our commitment to guarantee our children a healthy start and thus, a brighter future.

Mr. Speaker, the Republican leadership has promised to balance the budget by cutting $1 trillion from the budget over 7 years. This would finance a proposed $350 billion tax break for America's wealthiest citizens. In addition to its assault on Medicare and Medicaid, the Budget plan represents an assault on programs such as housing, summer jobs for our youth, education, job training, and energy assistance for our elderly.

As Members of Congress, we must take a strong stance in defense of our Nation's seniors. It is estimated that the proposed $282 billion in cuts to Medicare would add more than $3,000 to seniors' health costs. In fact, if the cuts to Medicare become law, the average Medicare beneficiary is expected to pay approximately $3,500 more in health costs over the same 7-year period.

According to the Urban Institute, the typical Medicare beneficiaries already dedicate a staggering 21 percent of their incomes to pay out-of-pocket health care expenditures. While our Republican colleagues say that they aren't cutting Social Security, under their budget proposal for Medicare, seniors would see 40 to 50 percent of their cost-of-living adjustment consumed by increases in Medicare cost sharing and premiums.

Mr. Speaker, I am grateful to my colleagues for allowing this meaningful discussion on a very important issue. I share their concern that we must protect Medicare and Medicaid from the Republican budget ax. We must not allow the Republican Party to balance the budget on the backs of those most in need. By the same token, we will not allow our seniors and the poor to be used as pawns in a tax give-away scheme for the rich.

INTRODUCTION OF THE CONSOLIDATED AND REFORMED EDUCATION, EMPLOYMENT, AND REHABILITATION SYSTEMS ACT, THE CAREERS ACT

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1995

Mr. McKEON. Mr. Speaker, today I am joining the distinguished Chairman of the Committee on Economic and Educational Opportunities, Rep. BILL GOODLING, all Republican Members of our Committee, and Representatives KASICH, DELAY, BOEHNER, and DAVIS, in introduction of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act—better known as the Careers Act of 1995. This legislation transforms this Nation's vast array of career-related education, employment, and job training programs into a true system of workforce preparation and development.

As was brought to the attention of the Congress by the U.S. General Accounting Office over the past several years, the United States currently has as many as 163 different Federal programs, totaling $20 billion, which offer some form of job training and/or employment assistance for youth and adults. In addition to the excessive number of Federal programs, the quality of U.S. training programs varies significantly. As a result, earlier this year we introduced H.R. 511, the Workforce Preparation and Development Act, which pledged that the 104th Congress would, thoroughly evaluate our current programs, and subsequently develop and enact legislation that: First, Eliminates duplication and fragmentation in federal workforce development programs; Second, transfers major decision-making to States and local communities; Third, stresses the vital role of the private sector, at all levels, in the design and implementation of the workforce preparation system; Fourth, is market driven, accountable, reinforces individual responsibility, and provides customer choice and easy access to services; and Fifth, establishes a national labor market information system that provides employers, job seekers, students, teachers, training providers, and others with accurate and timely information on the local economy, on occupations in demand and the skill requirements for such occupations, and information on the performance of service providers in the local community.

Today, after a comprehensive set of hearings on this issue, we are following through on our promise. We are introducing legislation that will do what was pledged in H.R. 511. The Careers Act, does all of the above and more. The Careers Act would consolidate and eliminate over 150 existing education, training, and employment assistance programs into 4 consolidation grants to the States. Such grants would include: A Youth Workforce Preparation Grant; and Adult Employment and Training Grant; a Vocational Rehabilitation Grant; and an Adult Education and Literacy Grant. And these 4 programs, working together, will form each State's workforce preparation system.

Our bill provides maximum authority to States and localities in the design and operation of their workforce preparation systems. We significantly reduce administrative requirements, paperwork, duplicative planning, reporting, and data collection requirements across the various programs—in general eliminating vast bureaucracy within the system. However, our legislation does provide some broad parameters for the design of a workforce development system, that we feel are necessary to move the system in the right direction, based on testimony heard in our numerous hearings, and in talking to people around the country.

Specifically, title I of Careers, is designed to build an infrastructure in States and local communities for development and implementation of a comprehensive workforce development system. At the State level, Governors are asked to pull together key State agency heads and leaders from business and education to develop a single State plan and performance measurement system for the entire workforce development system. Governors are also asked to designate workforce development areas throughout the State, for the distribution of funds and service delivery under much of the system.

To ensure the involvement of employers in the design and implementation of local systems, Careers requires the establishment of local, employer-led, workforce development boards. These boards would provide policy guidance and oversight over local systems, and would be responsible for the establishment of local one-stop delivery systems—easily accessible single points of entry into the local workforce preparation system.

The youth workforce development program pulls school systems and postsecondary institutions together with local business leaders to develop a school-to-work system for both in-school, and out-of-school youth in the community. This system is designed to result in challenging academic and occupational competency gains for all youth in the community, as well as completion of high school, or its equivalent, and other positive outcomes such as placement and retention in employment, or continuation into postsecondary education or training. States would also be require to show how special population students meet the performance standards.

Under the adult and the vocational rehabilitation programs, upfront or core services—such as information on jobs, assessment of skills, counseling, job search assistance, information on education, training, and vocational rehabilitation programs in the local community, assessment of eligibility for such programs—including eligibility for student financial aid—and referral to appropriate programs would be available to all individuals through a net work of one-stop career centers and affiliated satellite centers throughout each community. For individuals with severe disabilities and determined to be in need of more intensive services, such services would be available through vouchers and other means to be used with approved providers of vocational rehabilitation services. Under the adult training system, for individuals who are unable to obtain employment through the core services, more intensive service such as specialized assessment and counseling, and development of employability plans, would be available—also through the one-stops. For those unable to obtain employment through these services and determined to be in need of education or training, such services would be provided—through the use of vouchers or other means that offer maximum customer choice in the selection of training providers. States would be required to establish a certification system for the identification of legitimate providers of education and training for receipt of vouchers—taking into account the recommendations of local workforce boards.

Finally, beyond the specific area of job training, the Careers Act includes privatization proposals for 2 existing government sponsored enterprises—again focusing on the streamlining of federal programs. Sallie Mae and Connie Lee were created by the Higher Education Act and are examples of for-profit, stockholder owned GSEs which have successfully fulfilled their intended purposes. Privatization cuts the ties to the Federal Government and establishes a willingness on the part of the Government to take a successful public-private partnership and turn it into a completely private venture when government support is no longer necessary. I want to thank the administration for its thoughtful testimony at our hearing on the issue of privatization and for its assistance in identifying and addressing the important and complex issue involved in privatization proposals. And also, I would like to thank the administration for its testimony and advice on reform of our job training system.

As a Congressman from a district in California that has been hit hard by defense and aerospace cutbacks—I understand that the skills of this Nation's workforce are more important today then ever before to U.S. competitiveness. However, our current patchwork of Federal programs is not the answer. The Careers Act addresses our long term workforce preparation strategy by creating a