Written Testimony
The Hon. Anthony J. Principi
Committee on Veterans Affairs
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Mr. Chairman, Ranking Member Waltz and members of the Committee, good morning. Thank you for this opportunity to testify on an issue of great importance to the VA and our nation's veterans.

Medical care is a key component of the benefits and services enacted by Congress in recognition of the sacrifices of the men and women whose service in uniform preserved and protected our nation's freedoms.

Neither medical science nor the veteran population is static and unchanging, and VA must always provide veterans with modern, high-tech facilities to offer them high quality health care.

The department will fail to honor our nation's commitment to its veterans if VA's medical system does not evolve with the times.

VA is a proud organization with a great history. I was honored to be associated with the department, both as Secretary and as Deputy Secretary.

VA's partnership with medical schools, begun in 1945, revolutionized the way medicine is taught in America.

VA researchers led the way in developing effective treatments for tuberculosis, schizophrenia, and hypertension.

Three VA researchers have won Nobel Prizes; seven have won Lasker awards.

The department has made an enormous contribution to American health care—and has been a lifeline for tens of millions of veterans.

But while VA has a storied past and a turbulent present, many VA medical centers were designed and built in an era in which medical care was synonymous with hospital care. It made sense, in the 20th Century, to define our nation's health care commitment to most veterans as access to a hospital bed to the extent beds were available.

But American medicine—and VA health care—has transformed itself from hospital-centered to patient-centered treatment. Most veterans, like most Americans, see

their physicians on an outpatient basis, and most treatment is provided by prescription drugs.

VA medicine has kept up with, and sometimes led, these innovations.

As a result, the number of VA outpatient visits increased from 46.5 million in Fiscal Year 2002 to 92.4 million in Fiscal Year 2014, while in that same period the number of inpatient admissions increased only from 564,700 to 707,400.

While the practice of VA medicine has evolved, VA's medical infrastructure has not kept pace. VA facilities are out of step with changes in the practice of medicine, with demographic changes in the veteran population, and with statutory changes in VA's health care benefits packages.

Mentally ill patients, for example, are no longer consigned to remotely located, thousand-bed asylums for the remainder of their lives. Treatment for tuberculosis no longer involves lengthy institutionalization.

In addition, millions of veterans, following the population migration patterns of the nation, moved to the South, the West, and the Southwest.

And as GAO noted in its recent report on VA Real Property, the new Choice program has also reduced the need for some facilities and services VA offers.

If VA does not realign itself, and close its unneeded facilities, the current decline in the veteran population will make many VA medical centers museums of the past—not the guideposts for the future they should be.

When I became VA Secretary in 2001, President George W. Bush reminded me that every dollar my agency spent is a dollar taken out of someone else's hard-earned pay. It's not how much money you are given in your budget that's important, he said—it's whether you spend that money wisely.

We are stewards of the public trust, he concluded, and we must never forget that.

I had the opportunity to recall his words a short time later, when I was stuck in traffic in New York City. As my car idled in front of VA's Manhattan hospital, I looked up at the hospital's patient bed tower. Among the hundreds of windows looking out on First Avenue, only a handful were lit. I didn't know what to make of it.

I learned the Manhattan VA hospital was one of many VA built in the 1950's to handle the influx of ill and injured World War II and Korean War veterans. It once held 800 veterans, as did nearby hospitals in Brooklyn and the Bronx. I was told the three hospitals that night were caring for only 283 veteran patients—all together.

All the other beds were empty—and there were tens of thousands of empty beds throughout VA's system.

Accordingly, I commissioned a comprehensive assessment of VA's capital infrastructure and the demand for VA health care. The process was called Capital Asset Realignment for Enhanced Services (CARES), and it was modeled on DoD's infrastructure review process.

The CARES commission, which completed its work in 2004, offered sound recommendations for realignment and allocation of the Department's capital assets to meet demand for VA's services over the next twenty years. Unfortunately, the CARES and DoD processes differed in one specific way. Under CARES there was no requirement for Congress to adopt or reject the commission's final recommendations as a package.

As a result recommendations for some needed new hospitals and outpatient clinics were accepted; most of those to close or realign the mission of facilities were rejected.

I know that the difficulties of agreeing to such a procedure for members of Congress cannot be overstated. Having served as Chairman of the 2005 Defense Base Closure and Realignment Commission I know firsthand from visiting many of the military installations slated for closure or realignment how trying this process is for them.

The words "closure" and "realignment" are easy to write on paper, but they have profound effects on communities, and the people who bring those communities to life.

But VA is spending too much money on bricks and mortar, rather than doctors and nurses. VA's current budget request is for $186.5 billion; in my last year as Secretary, in Fiscal Year 2005, that figure was $69.4 billion—a 268 percent increase.

We are doing a disservice to the veterans VA is charged to serve, and to the American people, if those resources are not used wisely and well.

Our nation simply cannot afford to maintain a vast infrastructure built for a different time in health care delivery that was to care for tens of millions of veterans as they returned from World War II, Korea and Vietnam—and even from the Civil War, the Spanish American War, and World War I.

A full review of VA infrastructure is the right thing to do. One that is open, transparent and apolitical. Those impacted deserve no less.

Thank you.