

## Michaud to Oppose Administration's Plan to Charge Veterans for Service Connected Medical Care

Wednesday, March 18 2009

WASHINGTON, DC &ndash; Today, Congressman Mike Michaud, Chairman of the House Veterans&rsquo; Affairs Subcommittee on Health, announced that he will oppose the Obama Administration&rsquo;s proposal to charge third party insurance companies for service-connected medical treatment. Michaud sent a letter to VA Secretary Shinseki on Monday expressing his concern that the implementation of a policy of third party collection has extensive consequences for veterans. He also urged Secretary Shinseki to communicate these concerns to the White House and the Office of Management and Budget (OMB).

WASHINGTON, DC &ndash; Today, Congressman Mike Michaud, Chairman of the House Veterans&rsquo; Affairs Subcommittee on Health, announced that he will oppose the Obama Administration&rsquo;s proposal to charge third party insurance companies for service-connected medical treatment. Michaud sent a letter to VA Secretary Shinseki on Monday expressing his concern that the implementation of a policy of third party collection has extensive consequences for veterans. He also urged Secretary Shinseki to communicate these concerns to the White House and the Office of Management and Budget (OMB).

&ldquo;We cannot back away from the U.S. government&rsquo;s solemn pledge to provide health care to veterans for their military service rendered on behalf of a grateful nation,&rdquo; said Michaud. &ldquo;The implementation of a third party collection policy would be a violation of our nation&rsquo;s legal and moral obligation to its honorable veterans, servicemembers and their families. This proposal is unconscionable and it is an insult to our veterans who have been hurt overseas.&rdquo;

The full text of Michaud&rsquo;s letter to Secretary Shinseki can be found below.

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March 16, 2009

The Honorable Eric Shinseki

Secretary

Department of Veterans Affairs

810 Vermont Ave., NW

Washington, DC 20420

Dear Secretary Shinseki,

With the release of the Administration&rsquo;s first budget request, a new policy proposal has been introduced as a means of collecting revenue for the Department of Veterans Affairs (VA) through billing of veterans&rsquo; third-party insurance for the care and treatment of a disability or illness incurred as a result of honorable military service.

I write to express my concern that the implementation of a policy of third party collection has extensive consequences for veterans. I strongly urge you to consider the implications detailed below and request you communicate these concerns to the White House and the Office of Management and Budget (OMB).

The VA currently bills third-party insurers of veterans who are treated for non-service related conditions. However, any proposed change that would allow the VA to bill veteran's third-party insurance for service-connected disabilities would result in widespread negative ramifications for veterans.

Implementation of third party collections for service-connected conditions will discourage companies from hiring disabled veterans, especially those who are severely disabled, if an employer-provided insurance policy is charged for the care and treatment of service-related conditions. Businesses will be reluctant to hire disabled veterans if there is an increased cost associated with their employment.

The proposed policy would increase the likelihood of insurance companies enacting or enforcing provisions which refuse coverage to veterans with pre-existing conditions, specifically conditions caused by instruments of war.

The impact of a third party reimbursement policy will likely result in increased insurance premiums for veterans. In order to absorb the increased cost of providing care, private insurance companies will raise rates across the board, for both veterans and standard policyholders.

The financial impact of such a policy will also increase the cost of federal, state and local government health insurance programs due to the fact that numerous veterans are employed by government entities at all levels. With many state and local governments across the nation struggling with massive budget shortages, the adoption of a policy that increases operating costs is not a prudent economic policy.

Most significant is adherence to the U.S. government's solemn pledge to provide healthcare to veterans for their military service rendered on behalf of a grateful nation. The implementation of a third party collection policy would be tantamount to an abrogation of the nation's legal and moral obligation to its honorable veterans, servicemembers and their families. The majority of Veterans' Service Organizations have joined together to express their shared outrage for any proposed change that would release the government's responsibility to care for veterans facing disabilities as a result of honorable service. The VA must continue to fully adhere to its mission and fulfill its responsibilities to our most honored heroes.

I respectfully urge the White House and OMB to reconsider the proposed policy of third party reimbursement for service-connected disabilities. I thank you for your attention to this timely and critical issue.

Sincerely,

Michael H. Michaud

Member of Congress