

The Honorable Jonathan A. Perlin, MD, PhD, Under Secretary for Health, Department of Veterans Affairs Accompanied by: Robert Wiebe, MD, VA Network Director, VISN 21, Sierra Pacific Network James Hastings, MD, Director, VA Pacific Islands Health Care System

Statement of
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Mr. Chairman and Members of the Committee, mahalo nui loa for the opportunity to appear before you today to discuss the state of VA care in Hawaii. It is a privilege to be here on Kauai? the Garden Isle?to speak and answer questions about issues important to veterans residing in Hawaii.

First, Mr. Chairman, I would like to thank you for your outstanding leadership and advocacy on behalf of our Nation's veterans. During your tenure as Chairman of this Committee, you have clearly demonstrated your commitment to veterans by acting decisively to ensure the needs of veterans are met. In addition, I appreciate your interest in and support of the Department of Veterans Affairs (VA).

I also would like to express my appreciation and respect for Senator Akaka, Ranking Member of this Committee. Along with his colleague, Senator Inouye, Senator Akaka has done so much for the veterans residing in Hawaii and other islands in the Pacific region. As I will highlight later, his vision, guidance and assistance have directly led to an unprecedented level of health care services for veterans, construction of state-of-the-art facilities in Honolulu and remarkable improvements in access to health care services for veterans residing on neighbor islands, including Kauai.

Today, I will briefly review the VA Sierra Pacific Network that includes Hawaii and the Pacific region; provide an overview of the VA Pacific Islands Health Care System (VAPIHCS) and the VA clinic here in Kauai; highlight issues of particular interest to veterans residing in Kauai, including the availability of long-term care services, specialty care and access to the VA clinic from the west side of Kauai; and address any questions posed by Members of the Committee.

VA Sierra Pacific Network (VISN 21)

The VA Sierra Pacific Network (Veterans Integrated Service Network [VISN] 21) is one of 21 integrated health care networks in the Veterans Health Administration (VHA). The VA Sierra Pacific Network provides services to veterans residing in Hawaii and the Pacific Basin (including the Philippines, Guam, American Samoa and Commonwealth of the Northern Marianas Islands), northern Nevada and central/northern California. There are an estimated 1.25 million veterans living within the boundaries of the VA Sierra Pacific Network.

The VA Sierra Pacific Network includes six major health care systems based in Honolulu, HI; Palo Alto, CA; San Francisco, CA; Sacramento, CA; Fresno, CA and Reno, NV. Dr. Robert Wiebe serves as director and oversees clinical and administrative operations throughout the Network. In Fiscal Year 2005 (FY05), the Network provided services to 227,000 veterans. There were about 2.8 million clinic stops and 24,000 inpatient admissions. The cumulative full-time employment equivalents (FTEE) level was 8,200 and the operating budget was about \$1.3 billion, which is an increase of \$378 million since 2001.

The VA Sierra Pacific Network is remarkable in several ways. In FY05, the Network was the only VISN in VHA to meet the performance targets for all six Clinical Interventions that directly address adherence to evidence-based clinical practice. The Network hosts 11 (out of 65) VHA Centers of Excellence—the most in VHA. The VA Sierra Pacific Network also has the highest funded research programs in VHA. Finally, VISN 21 operates one of four Polytrauma units that are dedicated to addressing the clinical needs of the most severely wounded Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) veterans.

VA Pacific Islands Health Care System (VAPIHCS)

As noted above, VAPIHCS is one of six major health care systems in VISN 21. VAPIHCS is unique in several important aspects: its vast catchment area covering 2.6 million square-miles (including Hawaii, Guam, American Samoa and Commonwealth of the Northern Marianas); island topography and the challenges to access it creates; richness of the culture of Pacific Islanders; and the ethnic diversity of patients and staff. In FY05, there were an estimated 113,000 veterans living in Hawaii (9% of Network total).

VAPIHCS provides care in six locations: Ambulatory Care Center (ACC) and Center for Aging (CFA) on the campus of the Tripler Army Medical Center (AMC) in Honolulu; and community-based outpatient clinics (CBOCs) in Lihue (Kauai), Kahului (Maui), Kailua-Kona (Hawaii), Hilo (Hawaii) and Agana (Guam). VAPIHCS also sends clinicians and support staff from these locations to provide services on Lanai, Molokai and American Samoa. The inpatient post-traumatic stress disorder (PTSD) unit formerly in Hilo is in the process of relocating to Honolulu. In addition to VAPIHCS, VHA operates five Readjustment Counseling Centers (Vet Centers) in Honolulu, Lihue, Wailuku, Kailua-Kona and Hilo that provide counseling, psychosocial support and outreach.

Dr. James Hastings was recently appointed Director, VAPIHCS. Dr. Hastings has impressive credentials, including tenure as Chair, Department of Medicine, John A. Burns School of Medicine, University of Hawaii, and Commanding General at Walter Reed AMC and Tripler AMC. I am excited about the possibilities that his tenure as Director at VAPIHCS brings.

In FY05, VAPIHCS provided services to 18,300 veterans in Hawaii (8% of Network total). There were 194,000 clinic stops in Hawaii during FY05 (7% of Network total), an increase of 36% since FY00. The cumulative FTEE for the health care system was 478 employees. The budget for VAPIHCS (including General Purpose, Specific Purpose and Medical Care Cost Funds [MCCF]) has increased from \$53 million in FY99 to \$102 million in FY05 (about 8% of Network total). In addition, VISN 21 provided over \$20 million in supplemental funds to VAPIHCS over the past two Fiscal Years to ensure VAPIHCS met its financial obligations.

VAPIHCS provides or contracts for a comprehensive array of health care services. VAPIHCS directly provides primary care, including preventive services and health screenings, and mental health services at all locations. Selected specialty services are also currently provided at the Honolulu campus and to a lesser extent, at CBOCs. VAPIHCS recently hired specialists in geropsychiatry, gastroenterology, ophthalmology and radiology. VAPIHCS is actively recruiting additional specialists in cardiology, orthopedic surgery and urology. Inpatient long-term care is available at the 60-bed Center for Aging. Inpatient mental health services are provided by VA staff on a 20-bed ward within Tripler AMC and at the 16-bed PTSD Residential Rehabilitation Program (PRRP) that was formerly in Hilo (now relocating to Honolulu). VAPIHCS contracts for care with DoD (at Tripler AMC and Guam Naval Hospital) and community facilities for inpatient medical-surgical care.

The current constellation of VA facilities and services represents a remarkable transformation over the past several years. Previously, the VAPIHCS (formerly known as the VA Medical and Regional Office Center [VAMROC] Honolulu) operated primary care and mental health clinics based in the Prince Kuhio Federal Building in downtown Honolulu and CBOCs on the neighbor islands that were staffed primarily with nurse practitioners. Senator Akaka and his colleagues in Congress approved \$83 million in Major Construction funds to build a state-of-the-art ambulatory care center and nursing home care unit on the Tripler AMC campus and these facilities were activated in 2000 and 1997, respectively. VISN 21 allocated nearly \$17 million from FY98-FY00 to activate these projects. VISN 21 also provided dedicated funds (e.g., \$2 million in FY01) to enhance care on the neighbor islands by expanding/renovating clinic space and adding additional staff to ensure there are primary care physicians and psychiatrists at all CBOCs.

Kauai CBOC

VA operates a community-based outpatient clinic (CBOC), located in Lihue (3-3367 Kuhio Highway, Suite 200, Lihue, HI, 96766-1061). In FY03, VAPIHCS spent \$470,000 to renovate the clinic. The Kauai Vet Center is co-located with the clinic in Lihue.

CBOCs, like the one here in Kauai, play a crucial role in the care of veterans in Hawaii. Since they are located in small communities, CBOCs have the feel of an old-fashioned doctor's office. Patients get to know their caregivers (in ways not possible in a large medical center) and clinic staff gets to know their patients, including their friends, military stories and even their grandchildren's names. Staff at the Kauai CBOC sees its role as not just caregiver, but also as an active participant in the local community. On its own time, staff participates in community events like Veterans Day, Fourth of July celebrations and December holiday festivities.

The Kauai CBOC serves an estimated island veteran population in FY05 of 5,420. In FY05, 1,518 veterans were enrolled for care and 1,016 veterans received care (?users?) at the Kauai CBOC. The market penetrations for enrollees and ?users? are 28% and 18%, respectively, and compare favorably with rates within VISN 21 and VHA.

The current authorized full-time employment equivalents (FTEE) level is 9.0, including a full-time primary care physician, psychiatrist and nurse practitioner, and all positions are filled. With this staff, the Kauai CBOC provides a broad range of primary care and mental health services. In addition, VAPIHCS provides specialty care services at the clinic by sending VA staff from

Honolulu and other VA facilities in California. Services provided by clinicians traveling to Kauai include cardiology, nephrology, neurology, optometry, orthopedics, rheumatology and urology. If veterans need services not available at the clinic, VAPIHCS arranges and pays for care in the local community (e.g., Wilcox Hospital), Honolulu (including Tripler AMC) or VA facilities in California. In FY05, VA spent more than \$2.1 million for non-VA care in the private sector (i.e., not including costs at other VA or DoD facilities) for residents of Kauai.

In FY05, the Kauai CBOC recorded 6,024 clinic stops, representing a 35% increase from FY00 (i.e., 4,457 stops). The clinic has short waiting times for new patients with very few veterans waiting more than 30 days for their first primary care appointment.

Special Issues

Long-term care. As a group, the veteran population is aging. Consequently, long-term care (LTC) services are a very important component of the continuum of care provided by VA. VA provides both inpatient LTC (i.e., institutional care) and non-institutional care (NIC). VA's approach to LTC is to provide extended care services in the least restrictive setting that is appropriate for the clinical condition of the veteran and his/her personal circumstances.

As an alternative to inpatient LTC, VA has developed and fostered a variety of NIC programs. NIC includes Adult Day Health Care (ADHC), Contract Adult Day Health Care (CADHC), Home-based Primary Care (HBPC), Contract Home Health Care (CHHC), Homemaker/Home Health Aid (H/HHA), Home Hospice, Home Respite, Geriatric Evaluation and Management (GEM) Program and Spinal Cord Injury (SCI) Home Program. Secretary Nicholson and his predecessors authorized the expansion of VA's NIC services. The capacity of these programs has grown rapidly since FY98 and VA is expecting a further increase of 18 percent in FY06.

This trend is also present in Hawaii. In FY05, VAPIHCS recorded a NIC ADC of 108 patients, representing an increase of 38 percent compared to FY04 (i.e., NIC ADC 78.2 patients). In some locations in Hawaii, VA directly provides NIC services. In other venues, including Kauai, VA contracts for these services. The following table displays trend in VAPIHCS obligations for LTC services in the community.

Trend in non-VA expenditures at VAPIHCS (\$000)

	FY02	FY03	FY04	FY05	Change (FY02-FY05)
Community nursing home (CNH)	\$193	\$280	\$661	\$1,047	442%
Non-institutional care (NIC)	\$97	\$126	\$191	\$716	638%

The decision to 'make or buy' is based on the clinical need for and availability of these services in the local community. These decisions are re-evaluated based on changes in workload and availability of resources. As an example, VAPIHCS currently operates HBPC programs in the Big Island (i.e., at its CBOCs in Hilo and Kailua-Kona, but not in Kauai or Maui. VAPIHCS is currently reassessing the feasibility of adding staff at its CBOCs here in Kauai and Maui to provide HBPC.

At the request of Senator Akaka, the Office of Inspector General recently began a review of access to NIC in VHA. Although its findings and recommendations are not yet available, I am

already taking actions in Hawaii to ensure clinical and eligibility criteria are correctly applied. As an example, VAPIHCS had been inappropriately restricting H/HHA services to veterans meeting the eligibility requirements for mandatory inpatient LTC as set forth in the Veterans Millennium Health Care and Benefits Act (Millennium Act), Public Law 106-117 (1999). These local eligibility restrictions have been rescinded.

Nursing home care is reserved for situations in which the veteran can no longer safely be cared for at home. VA is committed to providing nursing home care to all veterans for whom such care is mandated by the Millennium Act (i.e., 70 percent or more service-connected rating or requiring nursing home care because of a service-connected disability). VA will continue to provide long-term maintenance care to other veterans on a discretionary basis as resources permit. VA provides inpatient LTC services directly in its nursing home care facilities, pays for nursing home care in communities and supports State Veterans Homes (with construction funds and per diem reimbursements).

As noted earlier, VAPIHCS operates a long-term care inpatient unit in Honolulu. Recently, this 60-bed unit operates close to its capacity (e.g., in FY05, the average daily census [ADC] was 56 patients). VA has contracts with and places veterans in two community nursing home care units in Oahu. In FY05, VAPIHCS spent more than \$1 million in community nursing home (CNH) care—nearly quadruple the amount spent in FY03 (i.e., \$280 thousand). VAPIHCS is interested in expanding its CNH program, but unfortunately, the other community facilities (including those on Neighbor Islands) VAPIHCS has contacted do not meet VA's life and safety codes or are unwilling to fulfill the requirements of VA's CNH contract.

VA is also providing funding and working with the State of Hawaii to build and activate the first State Veterans Home in Hawaii. The 95-bed nursing home facility will be built in Hilo at the site of the former Hilo Hospital on the Hilo Medical Center Campus. The cost estimate for the project is \$31 million and VA is contributing 65 percent (i.e., \$20 million).

Specialty services. The size of the veteran population and number of VA patients limit the feasibility of having a large cadre of medical and surgical specialists based in the Kauai CBOC. Nonetheless, VA recognizes that some veterans in Kauai have needs that go beyond primary care and mental health. As I noted earlier, VA sends specialists from Honolulu and California to the clinic on a regular basis. Services provided by clinicians traveling to Kauai include cardiology, nephrology, neurology, optometry, orthopedics, rheumatology and urology. VAPIHCS also refers patients to the local community for care at VA expense (when eligibility criteria are met) and transports (also at VA expense when eligibility criteria are met) patients to the VA facility in Honolulu.

VAPIHCS is utilizing telehealth technology to expand access to specialty care (e.g., dermatology). VAPIHCS estimates that telehealth services are provided more than 10 hours per week at the Kauai CBOC. As additional specialists are hired at the VA facility based in Honolulu, these clinicians will be able to travel to Kauai and further utilize telehealth technologies.

West Kauai. Although Kauai is a relatively small island (i.e., 550 square-miles), transportation on the island can be problematic. As an example, the driving time from the west side of Kauai to

the VA clinic can be up to an hour. VAPIHCS estimates approximately 190 existing patients (i.e., ?current users?) live on the west side of Kauai. Consequently, it is not practical to establish a new clinic on the west side or rotate staff from the existing clinic. Instead, VA will work with community organizations, such as veterans' service organizations, and local government to enhance transportation options for veterans.

Conclusion

In summary, with the support of Senator Akaka and other members of Congress, VA is providing an unprecedented level of health care services to veterans residing in Hawaii and the Pacific Region. VA now has state-of-the-art facilities and enhanced services in Honolulu, as well as robust staffing on the neighbor islands and has expanded or renovated clinics in many locations. VA is bringing more specialists on board and preparing for the newest generation of veterans? those who bravely served in southwest Asia.

VAPIHCS still faces several challenges, in part due to the topography of its catchment area. VAPIHCS will meet these challenges by utilizing telehealth technologies, sharing specialists, developing new delivery models and opening new clinics as demographics suggest and resources allow. I am proud of the improvements in VA services in Hawaii, but recognize that our job is not done.

Again, Mr. Chairman and other members of the Committee, mahalo nui loa for the opportunity to testify at this hearing. I would be delighted to address any questions you may have for me or other members of the panel.