

Chairman Daniel K. Akaka

OPENING STATEMENT
VA's Construction Process

June 10, 2009

Aloha. This morning we will take a look at the VA construction process, including how VA's vast infrastructure needs are managed. I also want to learn more about where we stand on the CARES effort – the now 5-year old plan to make sense of VA's capital assets.

VA is a large health care system, with aging infrastructure and some new and growing needs. Planners have to balance large scale construction projects with costs in the hundreds of millions, along with smaller projects and nonrecurring maintenance. VA's infrastructure must be adapted to meet the needs of today's veterans and prepared to respond to the changes that will come.

VA has moved from a hospital driven health care system to an integrated delivery system that emphasizes a full continuum of care. The lion's share of VA's infrastructure was designed and built decades ago, under a different concept of health care delivery. Since then, VA health care has experienced a great shift from inpatient to outpatient services. As a result, VA has a system which generally reflects yesterday's priorities, not today's.

The goal of CARES was a good one: shift resources from underused, inefficient, or obsolete buildings to support better ways of furnishing health care. However, the degree to which this has happened as well as the extent to which this continues remains unclear.

In terms of current projects, VA has requested over \$1.9 billion for fiscal year 2010 construction programs. While this is significant, it is clear that there is an extensive backlog of major construction projects, which requires far more funding. With such high dollar figures dedicated to construction projects, the Committee must understand the basis for VA's decision-making process.

I see today's hearing as beginning a focused look at where VA is with respect to its capital infrastructure and how we might go forward. I hope that we will hear some compelling suggestions for expediting the construction process and for improving it.