

**STATEMENT OF THE HONORABLE SLOAN GIBSON
DEPUTY SECRETARY OF VETERANS AFFAIRS
BEFORE THE
VETERANS' AFFAIRS COMMITTEE
OF THE U.S. SENATE**

MARCH 24, 2015

Good afternoon, Chairman Isakson, Ranking Member Blumenthal, and Members of the Committee. Thank you for the opportunity to participate in this hearing and to discuss the Department of Veterans Affairs' (VA) implementation of the distance criteria in the Veterans Choice Program. I am accompanied today by Doctor James Tuchschildt, Interim Principal Deputy Under Secretary for Health.

The Veterans Access, Choice, and Accountability Act of 2014 (VACAA) is helping VA to meet the demand for Veterans health care in the short-term. VA has put considerable focus and attention on ensuring the law is implemented seamlessly for Veterans, focused on creating the most positive experience for them. We are very appreciative of this temporary measure to improve access while we build capacity within the VA system to better serve those who rely on us for health care.

As you are aware, the 90-day timeline to establish a new health plan capable of producing and distributing Veterans Choice Cards, determining patients' eligibility, authorizing care, coordinating care and managing utilization, establishing new provider agreements, processing complex claims, and standing up a call center was particularly challenging. In fact, we received overwhelming feedback from the marketplace about the significant challenges of meeting the law's aggressive timeline. Despite the timeline, VA published regulations and launched the Veterans Choice Program on November 5, 2014, with a responsible, staged implementation with the goal of providing Veterans with the best possible care-experience, while also meeting our obligations to be good stewards of the Nation's tax dollars. By the end of January, 8.6 million Veterans Choice Cards had been distributed to eligible Veterans.

The Veterans Choice Program established by section 101 of VACAA requires VA to expand the availability of hospital care and medical services for eligible Veterans through agreements with eligible non-VA entities and providers. It is a program unlike any other. Veterans who meet certain eligibility requirements are able to elect to

receive care from eligible non-VA entities and providers through this program. What makes it unlike other non-VA care is the Veterans' ability to select from among eligible non-VA providers. Inherent in this flexibility is the need for VA to ensure that Veterans' health care is coordinated and delivered timely through seamless operations.

As we continue to stand up the Veterans Choice Program and grow the number of providers delivering services to Veterans, eligible Veterans are continuing to receive care in the community from other existing non-VA programs and providers. As of March 18, 2015, 46,429 Veterans have received authorizations for care under the Veterans Choice Program, and non-VA providers have scheduled 44,461 appointments for care in the Program since it began in November. To put these Choice Program numbers in perspective, in an average month, 6.4 million appointments are completed in VA and 1.3 million appointments are completed using non-VA care programs.

Implementing the Veterans Choice Program

VA's goal has been, and always will be, to provide Veterans with timely and high-quality care with the utmost dignity, respect and excellence. As we have long maintained, for the Veteran who needs care today, VA's goal will always be to provide timely, clinically appropriate access to care in every case possible. However, as we have shared with staff for the Senate and House Committees' on Veterans Affairs in over 16 telephonic and in-person meetings about the implementation of this program that have been held between Committee staff and VA personnel since September 2014, users of the Choice Program have identified aspects of the law that are presenting challenges, resulting in confusion for Veterans, or not working for Veterans as well as they need to. We also recognize that early utilization of the Choice Program has not been as robust as expected. We have been eagerly seeking feedback on the program from all our stakeholders – from Veterans, Veterans Service Organizations, our employees, and Congress, and we are working diligently to address these challenges. We want to turn these challenges into opportunities to improve our care and services, but in some areas, we will need assistance from Congress and stakeholders.

Veterans Choice Program Outreach Efforts

VA recognizes that some Veterans lack awareness or are confused by the Veterans Choice Program. When we initially launched the program, we mailed explanatory letters to over eight million Veterans. To increase Veterans' awareness of the program, VA will continue a comprehensive communications program. The Veterans Choice Program outreach efforts can contribute to correcting confusion about the program by building awareness and understanding, as well as improving public perception of the Veterans Choice Program as a program designed to improve Veterans' access to care.

Importantly, VA has completed an outbound call campaign to those Veterans who were initially eligible for the Veterans Choice Program under the 30-day wait criterion. This outreach effort was completed to ensure these Veterans were aware of their eligibility for the Veterans Choice Program if they had not already been informed through their local VA medical center. All Veterans who were enrolled prior to August 1, 2014, and any recent Combat Veteran who enrolled after that date were mailed a Choice Card with an informational letter explaining their eligibility for the Choice Program. VA has also provided a Choice Program fact sheet for Veterans that can be printed locally and provided to the Veteran upon notification of eligibility for the Choice program. Additionally, VA briefed a number of external groups and organizations about the Choice program. These include provider groups as well as Veterans Service Organizations, who assist in reaching out to both providers and Veterans.

To continue our outreach efforts, we recently launched a public service announcement for eligible Veterans, viewable at: <https://www.youtube.com/watch?v=i9nnsRIX5b8>. We hope all parties will share the video to aid in education efforts about the Choice Program.

In the next few weeks, we will continue our robust outreach strategy to help Veterans better understand their benefits under the Veterans Choice Program, by:

- Collaborating with VSO leadership to share newsletter inserts, talking points, social media content, etc. with their membership;
- Initiating a re-occurring survey of Veterans to gain an understating of their knowledge of the program (The results of this survey will be leveraged to identify gaps in communication and training among Veterans and VHA staff.);

- Developing a comprehensive social media strategy for Veterans and their families and caregivers;
- Placing Veteran Choice Program posters in public locations to increase awareness;
- Hosting town halls related to the program at the VAMCs; and,
- Finalizing a brochure of information that will be available to Veterans.

Veteran Choice Program Employee Training and Education

We acknowledge that there are gaps in understanding the Veterans Choice Program and related business processes among VHA staff. This is leading to Veterans receiving inconsistent information and outreach about the program. To date, VHA has provided training through a variety of modalities including but not limited to, in-person training, webinars, virtual training, teleconference and any other means available. Over 25 webinar-based training events have been provided on a variety of topics related to the Veterans Choice Program and a question-and-answer session has been held for each VISN and the facilities that fall under them. VHA is also providing specific training for portions of the program, for example, explanation of the appeal process for a grant of hardship under the Program's "geographic burden section." All of these training opportunities are available for employees to download or view on the web for refresher training or if they were unable to attend.

Moving forward, VA will target training for staff, tailoring the training needs to the type of employee delivering care to Veterans. For example, we will deliver additional training sessions to our clinical, administrative and purchased-care staff.

In addition to schedulers, clinicians and facility management, "Choice Champions" directly assist Veterans with questions about the Veterans Choice Program. The Choice Champion plays a key role at the facility level in implementing and operating the Veterans Choice Program. Choice Champions are specifically trained to be local subject-matter experts on the Choice Program who can explain and advise Veterans, other employees, and our stakeholders on the program. There currently are more than 900 VHA employees from a variety of functions who have been named Choice Champions. Training, resources, and support for Choice Champions are available through the VA Pulse Choice Champion Community of Practice website as

well as the VA VACAA Intranet Site. Ongoing monthly training calls are conducted to keep the Choice Champions engaged.

Refining Business Processes

We are also focused on looking internally at the business rules and internal processes that govern the Choice Program. Stepping back to revise our own practices and focus on long-term work plans should create more efficient processes that will engender better and timelier care experiences for Veterans as well as better business relationships with our non-VA care partners. Managing the Choice Program effectively requires us to have broad visibility of data. We are refining our data analytics to develop more thorough management and oversight of the Third Party Administrators' (TPA) performance. In order to support the non-VA care providers that treat our Veterans, we are refining the oversight of payments for services provided. We are also continually working with the TPAs to help them develop their healthcare networks to support Veterans' health care needs. More broadly, following a legislative proposal included in the Department's Fiscal Year 2016 President's Budget, VA requests Congressional support for updating the Department's authorities to use provider agreements for the purchase of non-VA medical care. Updating them will streamline and speed the business process for purchasing care for an individual Veteran when necessary care cannot be purchased through existing contracts or sharing agreements.

Eligibility for the Choice Program

We are grateful for the transparent and close working relationship with Congress in implementing the Choice Program to provide Veterans with greater options for care. One issue that has caused much confusion for Veterans and stakeholders relates to the determination of a Veteran's eligibility based upon the distance to the nearest VA facility. In line with the Conference Report drafted for VACAA, VA implemented this provision using geodesic (straight line) distance. We have heard the feedback from Veterans and our stakeholders about this determination. This decision presents difficulty and frustration for some of our Veterans when this straight line test excludes Veterans who reside within 40 miles of a VA medical facility using a straight line measure but must nonetheless drive a significant distance to reach that facility.

Additionally, this measure is not intuitive for Veterans because it is unlike the mileage calculations used for the beneficiary travel program. We are exploring options related to this provision.

A second issue causing challenge for Veterans, is that according to the Choice Act, the Veteran is eligible for hospital care and medical services if the Veteran resides more than 40 miles from a medical facility of the Department, including a Community-Based Outpatient Clinic (CBOC), that is closest to the residence of the Veteran. This criterion bases eligibility on the proximity of the nearest facility, irrespective of the availability of the needed care at that site. VA is a regionalized system; so we recognize that every CBOC does not deliver the services needed by every Veteran. Absent a statutory change, we do not believe that we have the flexibility to adopt an alternative approach. All of these issues speak to a larger structural question – the right balance between VA’s role as a provider of care and as a purchaser of care. We are undertaking further careful study on this issue. Additionally, section 101 limits the considerations VA can take into account when determining if a Veteran living within 40 miles of a facility is eligible for the Choice Program. VA may only consider an "unusual or excessive burden...due to a geographical challenge" when determining eligibility for non-VA care under this criterion. The Department asked in September 2014 to remove the “geographical challenges” language from VACAA in order to provide the Secretary with greater flexibility in providing health care for Veterans who face unusual or excessive burdens in reaching VA medical facilities. Presently, fewer than 100 Veterans have been determined eligible for the Choice Program because they face an unusual or excessive burden due to geographical challenges. While the Department is educating staff and Veterans about this provision, this formulation does require VA to adjudicate claims that are very context-specific in nature. We believe legislation providing greater flexibility on this issue would enable more Veterans to receive care closer to home.

Rationalizing All Non-VA Care Programs

Beyond the Choice Program, VA has, for years, utilized various authorities and programs in order to provide care to Veterans more quickly and closer to home. In fact, the Department spent over \$5.5 billion on non-VA care in Fiscal Year 2014, and our partnerships with other health care providers enable us to deliver care to Veterans

where and when they want it. In Fiscal Year 2014, VA completed 55.04 million appointments inside VA and 16.2 million appointments were completed in the community.

We recognize though, that the number and different types of non-VA care programs and authorities are confusing to Veterans, our stakeholders, and our employees. Navigating these programs to determine the best fit for a Veteran can be challenging. The Department is examining our various non-VA programs to strategically view how all the programs fit together. We hope that this review can help us rationalize the ways we purchase non-VA care in order to deliver the best experience for the Veteran, while also efficiently using appropriated funds. We look forward to discussing this review and the guidance of the Independent Assessments conducted under section 201 and Commission on Care established by section 202 as they relate to VA's use of non-VA care.

Conclusion

We appreciate the authority granted by VACAA. We know that today, the program is not working as well for Veterans as it should, but we are working to overcome the challenges, and we are committed to providing Veterans with the best possible care-experience by implementing legislation effectively to deliver timely access to high-quality care for Veterans.

We are grateful for the transparent and close working relationship with Congress as we work to ensure that we are making progress in implementing the Choice Program. We will continue to share with the Committee any issues to ensure we have a common understanding of the implications of the Veterans Choice Program. I thank the Committee again for your support and assistance, and we look forward to working with you in making things better for all of America's Veterans.