

**FIELD HEARING ON EXPLORING THE VETERANS
CHOICE PROGRAM PROBLEMS IN ALASKA**

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

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AUGUST 25, 2015
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TUESDAY, AUGUST 25, 2015

U.S. SENATE
COMMITTEE ON VETERANS' AFFAIRS
Eagle River, AK

The Committee met, pursuant to notice, at 5:40 p.m., at The Alliance Christian Fellowship Church, 16620 Brooks Loop, Eagle River, Alaska, Hon. Dan Sullivan presiding.

Present: Senator Sullivan.

**OPENING STATEMENT OF HON. DAN SULLIVAN,
U.S. SENATOR FROM ALASKA**

The CHAIRMAN. This hearing of the U.S. Senate Veterans' Affairs Committee will now come to order.

We are here for a simple reason: to bring together key players responsible for delivering health care and benefits for Alaska's veterans so they can fix a problem, a big problem for our State, the implementation of the Choice Act, which is negatively affecting literally thousands of Alaskan veterans and their families.

That is our stated objective, and I intend to work on this issue to make it happen. That is what this hearing is about.

We have an outstanding panel of witnesses on two panels. The key, though, tonight, is that we do not need rhetoric. What we need are answers.

How did we get here? The Choice Act was passed in 2014 during the last congressional session to respond to the scandals and backlogs that were plaguing the VA nationally. It is because of its one-size-fits-all design that the implementation of the Choice Act in Alaska has been nothing less than an unmitigated failure for our veterans.

Many of Alaska's officials, both military and elected officials, saw this crisis of care coming. Let me provide a couple letters that indicate that.

A letter from Senator Murkowski to the VA earlier this year where she states, "I write with great urgency concerning changes that appear to be occurring in the Alaska VA Healthcare System as a result of the implementation of the Veterans Access, Choice and Accountability Act, the Choice Act."

Congressman Young wrote to the VA, "Alaska VA Healthcare System is facing serious issues as a result of poor implementation of the Choice Act."

Governor Walker literally pleaded with the VA in a letter, "Please help me prevent the devastating loss of an innovative and award-winning program that has improved access to medical care for all of Alaska's veterans."

In my letter to the chairman of the Senate Veterans' Affairs Committee, Sen. Johnny Isakson, asking for the authorization to hold this hearing in Alaska, I told the chairman of how "a new national one-size-fits-all policy was once again unsuccessful in Alaska." I told him of the troubles Alaska's veterans had calling for Choice program hotline, how TriWest call centers are placing our State's veterans on hold until their calls were dropped time and time again. In many cases, promises for callbacks never occurred.

That is unacceptable.

Equally alarming for our veterans in Alaska in addition to the Choice program rollout was the recent report on the Mat-Su Community-Based Outpatient Clinic issued by the VA Office of the Inspector General. This report, which was requested by Senator Murkowski, found that understaffing and larger provider workloads contributed to very long wait times for our veterans and poor patient care.

We have two distinguished panels that will testify this evening on these issues. I am particularly pleased to have Dr. David Shulkin, the Under Secretary for Health in the Veterans Administration on our second panel. He is the number 3 ranking official in the VA who has come to Alaska. Dr. Shulkin has a very distinguished resume, a very distinguished career as a doctor, as a medical administrator, and as a hospital administrator. He has only been with the VA for 6 weeks. He did not cause these problems.

Nevertheless, when he was up for his confirmation hearing and ready to be confirmed, I put a hold on his confirmation until I received a personal commitment from Dr. Shulkin to come to Alaska, to travel the State with me, to listen to our veterans, and to come here ready to work with others to devise a plan to fix the problems with the implementation of the Choice Act in Alaska. I am proud to say that is what he has done. That is what we have done.

I have spent the last day and one-half with Dr. Shulkin in Kenai and in Fairbanks for veteran listening sessions. We were at JBER at the VA/DOD Joint Venture Hospital today.

Several themes have emerged from our meetings, from our hearings, from hearing literally hundreds of veterans throughout the State of Alaska. These themes are not surprising to this panel. The Choice Act is not working. TriWest and the VA are not communicating at all. The frustration levels have peaked in our State among veterans, among family members. Many of Alaska's veterans are going without care, care that they have earned. Some are even being saddled with bills in the tens of thousands of dollars, with collection agencies on their heels even though they have done nothing wrong.

We are going to change this. This is completely unacceptable. I want to thank the hundreds of veterans who attended our listening sessions yesterday and all of you who are attending this hearing tonight.

I understand that there are also some who have not been able to attend these sessions or will not be testifying tonight, so I want

to make sure that all Alaskans have the opportunity to participate in this official hearing of the U.S. Senate Veterans' Affairs Committee. We have set up an email address. The email address is public_testimony@Sullivan.Senate.gov. Any Alaskan can submit testimony as part of the official record of this Committee hearing, and we will leave the record open for this hearing until 5:30 p.m. Alaska time on September 1, 2015.

The bottom line for what we are trying to do tonight is that we are trying to bring Washington, DC, to Alaska. As VA Secretary McDonald stated recently, America's veterans have lost faith in the VA. The VA needs to restore that faith, restore that sacred trust of responsibility we all owe to our veterans. It starts with the respect we are showing here tonight by having our hearing on Alaska veterans issues not in Washington, DC, but here in Alaska, so as many veterans as possible can testify and weigh in on these important issues.

This hearing will be a bit nontraditional. Unlike all Washington, DC, hearings where the normal policy of the Committee is to have the government witnesses speak on the first panel, I felt it was important to flip that tradition and have Alaskan veterans and those who are responsible for them to testify first.

As such, our witnesses from the VA and TriWest will be able to hear some of the concerns from my fellow Alaskans, hear their perspectives, and hopefully be able to address some of their concerns when we have our second panel of witnesses.

Overall, I think many here would agree that part of this hearing is not just to find solutions, but to provide accountability: congressional oversight and accountability. It is accountability for TriWest. It is accountability from the VA. It is accountability from Congress. Importantly, though, and this is really important for our second panel to understand, this accountability is not directed at the Senate or the Congress, ultimately. Rather, ultimately, it is directed at our veterans. It is directed at what this hearing is all about, Alaska's veterans.

I would respectfully request that all witnesses on the first panel and the second panel keep that in mind as you give answers to questions and as you deliver your opening statements.

With that, I would like to thank all the witnesses, particularly witnesses from out of town, for being here.

There has been a lot of blame, a lot of finger-pointing. In some ways, finding accountability for the mess we are in is important. What I really want to do here, what I really think is important here, is not to look back, but to look forward and work together, all of us, to address what everybody recognizes, what I referred to earlier as a five-alarm fire for Alaska's veterans. I think Dr. Shulkin and I certainly saw this when we heard from dozens if not hundreds of veterans over the last 2 days throughout the State.

The goal, as I mentioned in the invitation letter to this hearing, was "to identify any legislative, regulatory, administrative, or funding barrier or issues that prevent or impede Alaskan veterans from receiving the best possible care, and to finalize work on overcoming these barriers, fixing these issues, and ultimately fixing the implementation of the Choice Act for Alaskans."

With that, I am honored to have our first panel before us. We have Mr. Verdie Bowen, who is the director of the Office of Veterans Affairs for the State of Alaska; Mr. David Joslin, who is an Alaskan veteran; Susan Williams, also an Alaskan veteran; and Mr. Walter Watts, commander of the VFW for the entire State of Alaska who was good enough to be one of the witnesses in Fairbanks yesterday and has come down here again in Eagle River to be on an official Veterans' Affairs Committee panel this evening.

With that, I would welcome the opening statements of each of our witnesses, and we will then proceed with questions.

We will start with you, Mr. Bowen.

**STATEMENT OF VERDIE BOWEN, DIRECTOR, OFFICE OF
VETERANS AFFAIRS, STATE OF ALASKA**

Mr. BOWEN. First, I would like to thank you for allowing me to come speak on behalf of the veterans of the State of Alaska. I am truly honored to be invited to this hearing. The issues that we have before us, I believe they can be fixed. We are Alaskans. We like to fix things, and I think that we can do that.

If you go back through time, I sort of have to take us back a little ways, and think about the last 7 years in Alaska, where we came from to today. Seven years ago, most veterans had to go to Seattle if they wanted anything, just about. If they needed any surgeries, if they needed cancer treatment, you name it, they went to Seattle. We had very limited community-based outpatient clinics for the veterans to go to.

Virtually, it was nonexistent for the veteran to get health care from Ketchikan to Barrow, if you will. In those communities, it was going to be a real tough show.

What happened after that is that we sat down and started looking at ways to change the way we deliver care to our veterans. It started with Care Closer to Home. The veterans were getting their health care in their communities, from doctors in their communities, and they did not have to go to Seattle for cancer treatments, if they chose.

Also with that, we also have the joint venture, the DOD-VA joint venture facility on Elmendorf, which is another facility that was a great plus for our veterans within the State and expanded care out even more.

After that, we expanded the care to the VA Alaska Native Healthcare System, which in turn took our five little clinics into now 127 clinics across the State that allowed veterans to get care anywhere they were at.

Then after that, we started the Patient-Centered Community Care (PC3) contract, which allowed another network of care within the system that allowed veterans to get health care within the communities.

The sad part about all of this is that in June, not too long ago, that was abruptly halted. Just prior to that, the President signed into law the Veterans Choice Act.

Now, I understand the Choice program for each veteran, and that each one of us who lives in the State of Alaska got a card and we were exempt from the 40-mile limits. The problem is that the program in itself was not ready for prime time. The moment we

lost all of the funding to cover the care that we had for purchased care throughout the State of Alaska, it immediately left our veterans in the lurch.

Most of us who serve our veterans received hundreds of phone calls immediately because they had appointments that they had made that were canceled instantly. I always like to share stories so people sort of get an idea of what this is like. We had several veterans who were scheduled for colonoscopies who had gone through the prep, went to the hospital only to discover that the appointment had been canceled because there was no funding for the appointment. They were ready to go through the procedure, but there was no funding.

We have had veterans who had surgeries that at the end of the surgery discovered that they were supposed to call the Choice program, and there was no funding for that as well. Those are some of the things that we have run into.

The problem that we really run into in this whole thing is that if we look at these issues that we have been dealing with the Choice program, you can break each one down and each veteran has a different issue, whether they called in, or they were hung up on, or they were told that they were within 40 miles of a facility to go to the facility. That is all good, but what the issue really comes down to is that most of the people they spoke to were out of State. They had no point of reference, so these veterans could explain to the individual on the other end of the phone what was going on with them, but the person on the other end of the phone had no reference point.

That goes even a little bit further. Prior to June, 98 percent of all of our veterans were covered by health care somewhere. They were covered by the VA, and they were covered with quality health care. After June, the backup system, which is the Choice program, you really have to call it what it is, the Choice program was established. If a veteran could not get an appointment within 30 days, he was to call that number and establish an appointment at that time.

Prior to June, the veterans got all their appointments prior to 30 days. The VA was doing an outstanding job caring for our veterans from one side of the State to the other. What happened after June really was—I guess you would want to say it is a black eye to the local VA. That is the sad part, because the local VA has probably some of the hardest working staff that we have. They had to set up special teams. They had to set up special programs to help veterans to call in, because they could not get their appointments or they spent 3 or 4 hours on the phone or they spent days on the phone with no callback. The only recourse that they had was to either call the State of Alaska legislators, the Federal legislators, the local VA, or my office. Most of us have files of hundreds of people who have called us because they were unable to make appointments.

The problem that we run into at that point in time is that there is no place for us to even turn except to call the same number to try to get through to get them their appointments and get them established into these things.

Now one might say that the appointments were difficult. But they were not difficult. I will give you an example. Down at the community-based outpatient clinic in Kenai, we had a veteran who needed an x-ray, just a simple x-ray, and that person was instructed to call the Choice program in order to get the x-ray done. Well, the x-ray took almost 30 days. It should have taken only just a few hours. In the past, it would have taken just a few hours by the VA.

The issue now is that the individual had to work through the local VA office in order to get this done through the Choice program.

Now, I believe that some of the ideas that might work to fix this thing is that, first of all, we need a better oversight of the prime contractor. Now we can name a contractor. It does not matter who that person is. But there has to be a place where that veteran can call when they are not getting the appointments. There has to be a place where that veteran can call when they are having difficulty with somebody hanging up on them or they are being stuck on hold for hours on end. There has to be a place outside of that call center that they can reach.

Whether that is set up by the prime contractor or that is set up by the VA, there needs to be a different call center that they can call once all those failures have happened, because the problem is that they call my office and immediately we are on the same phone calling the same number that they just did. Our legislative staffs are doing the same thing for our veterans across the State. We are still not reaching that end goal to where they are getting those appointments in a timely manner.

The other thing too is that we had the best VA system in the Nation. When Tucson had its problems, when I looked around Alaska, our veterans were being treated. The complaints that we were receiving at the time was that they were telling us about relatives who lived in other States and other issues that were happening in other States.

Well, we did not start having issues in our State until all the funding was pulled out of our programs. Once that funding was pulled, then our veterans were unable to be seen.

If it is a model program for the Nation, we need to keep that model program in place and then allow the Choice program to mature over time like it should, because if you go back in time, it took 7 years to develop the programs we have today—7 whole years. The Choice program cannot be a program of choice in 30 days. That is an impossible feat. I could not even do that with my staff. The VA has had to shore up this problem with internal staff to try to fix this stuff, and it is really not fixable.

The last issue that I really want to talk about that deals with the Choice program that really needs to be addressed deals with the payer of last resort. If you have a veteran who is 50 percent or greater disabled treated in a local clinic through the Choice program—and that issue is not related to their disability—say, for instance, their disability is head and back and they go in to get treated for their foot, and their spouse has medical coverage. The deductible is several thousand dollars, that veteran is going to pay that deductible, because under the payer of last resort, your pri-

mary insurance, which is going to be held in your family, is going to be billed for that process and the VA will be paid last. If there are deductibles, that is going to fall upon that veteran. That is a small gap that we have within this that is going to happen.

Some of these veterans who are greater than 50 percent, or you could even say full and total at 100 percent, cannot afford some of those deductibles their spouse might have at their small job or whatever they might be doing. That is something that we need to look at.

The last thing, we really should mature the systems that we have currently in place in Alaska, fund them at the full amount at \$127 million, either exempt the State from the Choice program or allow the Choice program to mature over time and use it like it was intended to be used as veterans' choice, not like it is today where it is the primary insurance plan.

[The prepared statement of Mr. Bowen follows:]

PREPARED STATEMENT OF VERDIE A. BOWEN, SR., DIRECTOR,
OFFICE OF VETERANS AFFAIRS, STATE OF ALASKA

I am truly honored and thank you for inviting me to testify at this field hearing focused on the Veterans Choice Program and the problems surrounding this program delivering care to our veterans in Alaska.

Before I jump into the Choice Program I need to express the different programs used in Alaska and how we use these programs for the delivery of health care to our veterans.

Over the past seven years we have worked to forge partnerships that will allow our veterans to receive their care closer to home. We have set into place the DOD/VA Joint Venture agreement, the Care Closer to Home initiative, and the VA/Alaska Native Healthcare partnership agreements with 26 Alaska Native Health Care programs. We have come a long way to deliver care to our veterans and build on the trust required to provide medical services to those we serve. Without these new care programs, veterans are limited to care inside the five VA facilities only, which are located in Fairbanks, Wasilla, Anchorage, Kenai, and Juneau. Also the VA holds a weekly Monday clinic in Homer Alaska.

We have worked hard to forge agreements between all our partners. Alaska needed local solutions to ensure our veterans were offered the highest quality of health care and services. Our biggest challenges are the location of the communities across the state. We have 348 communities with 166 located off the road system. No other state experiences the cost of health care travel our veterans face and the lack of sustained health care in their communities.

We first started looking at ways to ensure all our veterans received quality care regardless of where they live. We collectively worked from the understanding that:

- There are disparities and differences in health status between rural (off the road system) and urban (on the road system) veterans. According to the VA's Health Services Research and Development Office, comparisons between rural and urban veterans show that rural veterans "have worse physical and mental health related issues due to limited care."
- More than 44 percent of military recruits, and those serving today come from rural areas.
- A large number of activated Alaska National Guard members come from our rural communities.
- With the highest number of per capita of veterans in the Nation we have a large number without access to emergent/urgent care.

We started looking at in house ways to bridge gaps with the programs we already have in Alaska. The Anchorage DOD/VA Joint Venture is located where over 42,000 Alaska veterans live. This program provides urgent and emergent care the VA cannot. The VA located a Community Based Outpatient Clinic (CBOC) in the Basset Army Medical facility in Fairbanks covering care needs for another 12,500 veterans. The next move was the "Care Closer to Home" program providing local purchase care for our veterans where they live.

Our veterans in the past had to travel to the lower 48 for major/minor surgeries and all cancer treatments. This was a one size fits all mentality and the veteran either paid for the trip out of pocket or the VA funded the travel if the illness was

related to a disability caused through their service. The sad part was in most cases the medical care could have been purchased locally. The worst part for our veterans being most were either too old or too frail to make the trips and most suffered additional issues due to the travel. If the veteran needed cancer treatments this meant staying at a local hotel before and after the treatment placing the veteran at risk of additional medical issues and increasing the cost of their care.

Past Secretary of the VA Eric Shinseki authorized the Care Closer to home program and immediately we saw not only an increase in VA utilization we experienced for the first time a reduction in our daily health care complaints. It was common to have in my office each Monday an average of 60 complaints due to health care related issues. This number dropped to just under 20 once this program was in full stride and most of these issues were contributed to rural travel.

In our rural communities, Alaska native veterans and non-native veterans had all but given up hope that they could ever use their earned benefits. A large number had not enrolled in the VA Health Care program because they had to pay for the cost of travel to a VA facility. In most cases seeking care locally, even though expensive, was cheaper than a flight to a VA clinic. In reality most just gave up and only requested care when the medical issue needed emergent/urgent care.

Again, Past Secretary of the VA Eric Shinseki stepped in and established the 13 Medical Working Group. Each of us on the board was challenged to find a working solution for rural health care. Within 6 months, the VA/Alaska Native Health Care Partnership was formed and over the next 24 months all 26 Alaska Native Sharing agreements were signed. These agreements allowed veterans to be treated in the local native clinics across Alaska. This was the first agreement in the Nation of this kind. In Alaska it added another 122 facilities that our veterans had access to. This was the first time in Alaska that 98% of our veterans lived close to or in a community that provided healthcare.

It is easy to understand the VA would like to have a one size fits all program and make Alaska look like the lower 48 but this is not a reality and we have to always work together to see what programs work best for our veterans. Passing laws and programs without first taking into account our unique issues will cause our veterans to lose their access to healthcare benefits. It takes time to establish new programs and most of all it takes longer to build the trust required to establish these programs. The three programs I discussed above took years to mature and they still have room for improvement.

We have come too far in our delivery of services to our veterans to turn back now. While the VA facilities in the lower 48 were struggling under the burden of old policies and procedures, Alaska has successfully entered into new agreements and care models. Due to these models we are able to keep our primary care back log down and our programs became the model for the rest of the Nation. Even with doctor shortages throughout the state our programs continued to provide great service to our veterans. When we held listening sessions around the state our veterans continually thanked the VA for the healthcare proved locally.

Late June 2015 all funding for the Care Closer to Home, DOD/VA Joint Venture, and the VA/Alaska Native program was pulled. Over night 8,000 veterans were without coverage through these three programs and they were instructed to use the Veterans Choice program. Each veteran went from outstanding local care to a program that could not provide access to local care. I do understand the reason for issuing every veteran in Alaska the Veterans Choice Card and its overall concept has merit. The issue we have in Alaska is the program did not take the time like the others to build trust or ensure a network of care was available before it was thrust on the veterans seeking health care.

Some of funds for our existing programs have been restored after a recent visit by Secretary McDonald. This has helped us continue treatment for our veterans across the state but it did not fix the issues with the Choice Program. In reality we still do not have the structure in Alaska to cover the basic needs of our veterans using the Choice Program. In order for the program to have any future success, it will take time to build a network of care providers. Today this program is still in the first stages of infancy. Most nonnative and native medical facilities will not participate in the Choice Program due to issue with appointments, the slow payment process, and even with an increase in payments they still do not cover the cost of care. On top of these three concerns shared by the medical community the veteran now has another level of bureaucracy between them and their care.

Today only a few of our veterans are using this card by choice. Most are forced into the program due to the lack of care at the VA facility. For example, if a veteran being treated at the Kenai VA Community Based Outpatient Clinic (CBOC) is requested to receive an x-ray. The doctor will place the order in the system and the veteran has to call the Choice call center and request the x ray. Doctor's notes some-

times don't make it through the system and the veteran must spend hours on the phone to work through this in order to receive the required test. To help this process along the Alaska VA Medical system has created a new team of nurses but it still takes hours if not days to ensure the veteran receives the care requested by the doctor. If the facility, that is required to assist the veteran, is not enrolled into the Choice program this takes even longer.

In the past, when the veteran was treated at the same CBOC, the doctor placed the request in the system and the appointment was set up by the local VA staff. The veteran was called with a time and place for the test/procedure. The veteran did not have to worry about the bill or placing the proper paperwork into the hands of the care provider. This was taken care of by VA staff and if questions were asked they were taken care of on the spot. Under Choice this becomes a never ending loop.

The Veterans Choice and Accountability Act of 2014 has merit on paper and could develop into a quality program over time. The issue experienced by Alaskan veterans was caused by the rapid defunding of our existing stellar programs and thrusting their care into an untested program. It would help our veterans even more if the prime contractor for the Choice program would establish an office in Alaska to help mature this program. We do have areas that need to be improved upon before the choice program can reach its full potential.

First we need to ensure our existing programs will never befall another mid fiscal year loss of funds. No matter the reason or the cause of the funds being pulled the best way to ensure this rapid deceleration of funds will not occur again is to create a single line item in the VA budget that covers the \$127M needed to fund all three programs that serve our veterans through the following: local purchased care, Alaska Native Health Care program, and the DOD/VA Joint Venture. This will provide trust to those providing the care and those receiving the care.

Next, allow the Choice program to mature. If the program is extended it needs to have some critical changes to survive in the Alaskan environment. The payments for care should match what the VA currently pays under its existing programs. Next, if a veteran is 50% or greater disabled or seen for a service-connected condition than the veteran should not pay any copayments and be treated the same as if he/she is treated at a VA medical facility. Change the Choice program from payer of last resort and make it match the current purchased care program provided by the VA. This way when a third party insurance collection is collected it goes back to the VA. Not like today when the veteran is covered by insurance the Choice pays last and the veteran is stuck with all deductibles regardless of disability rating. My office as of today has received over 500 calls by veterans who have discussed dropping their insurance coverage due to high deductibles. In the end this does help the veteran and the local VA will lose over \$20M from insurance collections.

The Choice program needs to return to its original concept of a program that provides a choice to veterans. This should not be the program forced upon the veteran because of budget shortfalls. It was not developed for this type of service to our veterans nor was it intended for this type of coverage. Because of the forced utilization of this program it has caused broken trust and has severely discredited the VA system the Alaska veteran has utilized in the past. In Alaska we understand this new program was a knee jerk reaction to the issues experienced by our fellow veterans in the lower 48. Alaska should have been exempt from this program because we did not experience the issues faced in other states.

The primary contractor needs to be held to a higher level of accountability. The VA and the State of Alaska has been briefed several times that a local call center will be developed and that more doctors and medical facilities will be enrolled into the Choice program. We have passed the three week promised time for the call center and we still have few medical facilities and doctors enrolled in this program. What we have seen is the local VA Medical Center Staff, the Congressional Delegation, and the State of Alaska filling this role to facilitate calls for our veterans and find medical facilities and staff that will take the Choice program.

In summary, over the past seven years all Alaskans who provided services to our veterans have worked hard and created strong partnerships with the VA to ensure Alaska's veterans are well cared for. We have come a long way in our ability to provide equal care to veterans on and off the road system. I know the VA has funding challenges and so does Alaska. However, when the time comes to prioritize spending, we cannot do so at the risk of failing to keep our promises to our veterans. As a Nation, we wrote the check when we sent them to war, and now it is incumbent on all of us to honor that agreement and their service. I urge the U.S. Senate to continue funding the programs greatly needed by the Alaska Veterans and to make critical changes to the Choice program that will allow veterans to never go without the healthcare they have earned.

Thank you for the privilege and honor of addressing this hearing on behalf of the Alaskan Veterans.

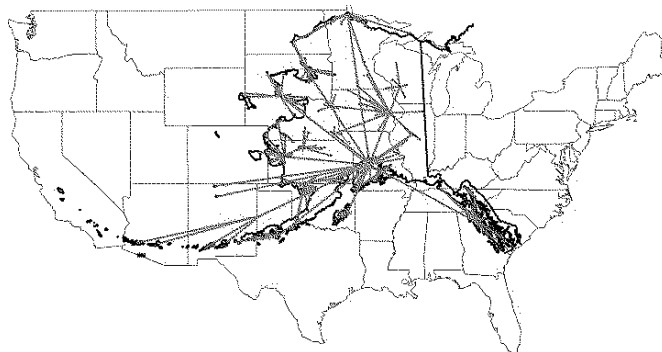
ADDENDUM

I am truly honored and thank you for inviting me to testify at this field hearing focused on the Veterans Choice Program and the problems surrounding this program delivering care to our veterans in Alaska.

Before I step into my testimony about the care and our veterans in Alaska, I must discuss the vastness of Alaska and the complications/challenges they face.

BACKGROUND:

According to the U.S. Census 2012 Alaska's total population was 731,449 compared to the total U.S. population estimated at 313,914,040. Alaska in land mass is almost 1/3 that of the continental U.S. accounting for approximately 663,268 square miles, compared to the U.S. land area in square miles which equals approximately 2,531,905 square miles. That equates to 1.2 people per square mile in Alaska compared to 87.4 people per square mile in the mainland U.S. The map below illustrates the size comparison of Alaska compared to the *lower 48* states and the lines represent the travel requirements of Alaska's Veteran Service Organizations utilizing train, plane, boat, snowmobile, and ATV.



Aside from its large size, most of Alaska is considered rural, remote, or frontier. Unlike the *lower 48* states, Alaska's road system is almost non-existent. Technically, there is only one paved highway in the entire state. This mostly two-lane highway provides connectivity between the state's largest urban community, Anchorage and several rural communities located in the Gulf Coast Region (Mat-Su valley, which is a suburb 45 miles to the North of Anchorage, the Kenai Peninsula which extends 200 miles south of Anchorage and includes the communities of Kenai, Soldotna, and Homer; Seward, which is 150 miles south from Anchorage, Valdez, located 300 miles southeast from Anchorage and Fairbanks, which is located, 359 miles north from Anchorage and is part of interior Alaska).

Everywhere else in the state the primary means of travel is either by Jet (to large hub communities), small aircrafts and/or boats to rural and remote communities, or by the Alaska Ferry Highway System in SE Alaska. There are some paved or gravel logging roads on larger Islands like Kodiak and Prince of Wales Island, but these roads are limited between select communities and/or logging camps.

Travel in Alaska can be expensive. A plane from Juneau to Barrow is comparable to the travel costs from Orlando to New York with a round trip ticket costing anywhere from \$850 to \$1,500. However, due to the extreme geography and weather conditions, costs associated with medevac's in Alaska can be much higher than in the *lower 48* states and range from \$20,000 to over \$150,000 depending on a variety of factors including: pickup location, miles traveled, size of aircraft, and any necessary emergency medical attention needed on the aircraft.

A veteran living in Sitka Alaska has two choices getting to the Alaska VA Healthcare System (AVAHS) located in Anchorage. First, by boat connecting to the road system which is 992 miles one way or second the more direct path is by air travel at 580 miles. Most veterans traveling this great distance may have extreme physical disabilities or medication that must be monitored periodically. The veteran

is required to be in the local area the day before their appointment and sometimes due to extreme weather will be brought into the area several days in advance, or worst case, miss the appointment due to canceled aircraft or watercraft.

On an average the veteran and the travel office expends an additional 42 man-hours monthly to ensure the veteran is provided medical services. AVAHS travel desk expends \$3,500,000.00 on average to travel veterans from highly rural areas in Alaska. This model was the one we used to look for ways to change the delivery of healthcare for our veterans in Alaska. After a visit by Secretary Shinseki in 2011 we started to explore alternatives to this costly venture and tried to establish a plan that allowed veterans to have care closer to home. We do have commutes much further away than Sitka and that take much longer to arrive at the AVAHS facility in Anchorage. This location just helped us to establish a baseline to work on plans for alternative care.

The Alaska Department of Veteran Affairs outpatient medical facility is located next to the Department of Defense's Joint Bases Elmendorf/Richardson (JBER) in Anchorage. The facilities are connected by a tunnel and the DOD facility provides the inpatient care for the veterans of Alaska. This is one of two joint use facilities in Alaska. The other facility is at Ft. Wainwright located by Fairbanks. We have three other Community Outpatient Clinics (CBOCs) and they are located in Kenai, Wasilla, and Juneau. Juneau, the capital of Alaska, is not connected to the road system and only has access by boat or plane. This CBOC serves all veterans located on the Alaskan panhandle totaling hundreds of islands and 135 communities. The Kenai CBOC which serves veterans who reside within the 16,000 square miles on the Kenai Peninsula also has an outreach clinic once a week at the South Peninsula Hospital to serve Homer and the smaller satellite communities located on the islands off the coast. The need for a new way to deliver healthcare was needed. Serving all Alaska by five clinics is nearly impossible and equality for our veterans living off the road system was in disarray.

DEVELOPING A PLAN:

Over the past seven years we have worked to forge partnerships that will allow our veterans to receive their care closer to home. We have set into place the DOD/VA Joint Venture agreement, the Care Closer to Home initiative, and the VA/Alaska Native Healthcare partnership agreements with 26 Alaska Native Health Care programs. We have come a long way to deliver care to our veterans and build on the trust required to provide medical services to those we serve. Without these new care programs, veterans are limited to care inside the five VA facilities only, which are located in Fairbanks, Wasilla, Anchorage, Kenai, and Juneau. Also the VA holds a weekly Monday clinic in Homer Alaska.

We have worked hard to forge agreements between all our partners. Alaska needed local solutions to ensure our veterans were offered the highest quality of health care and services. Our biggest challenges are the location of the communities across the state. We have 348 communities with 166 located off the road system. No other state experiences the cost of health care travel our veterans face and the lack of sustained health care in their communities.

We first started looking at ways to ensure all our veterans received quality care regardless of where they live. We collectively worked from the understanding that:

- There are disparities and differences in health status between urban, rural, and frontier veterans. According to the VA's Health Services Research and Development Office, comparisons between rural and urban veterans show that rural veterans "have worse physical and mental health related issues due to limited care."
- More than 44 percent of military recruits, and those serving today come from rural areas.
- A large number of activated Alaska National Guard members come from our rural communities.
- With the highest number of per capita of veterans in the Nation we have a large number without access to emergent/urgent care.

We started looking at in house ways to bridge gaps with the programs we already have in Alaska. The Anchorage DOD/VA Joint Venture is located where over 42,000 Alaska veterans live. This program provides urgent and emergent care the VA cannot. The VA located a Community Based Outpatient Clinic (CBOC) in the Basset Army Medical facility in Fairbanks covering care needs for another 12,500 veterans. The next move was the "Care Closer to Home" program providing local purchase care for our veterans where they live.

Our veterans in the past had to travel to the *lower 48* for major/minor surgeries and all cancer treatments. This was a one size fits all mentality and the veteran either paid for the trip out of pocket or the VA funded the travel if the illness was

related to a disability caused through their service. The sad part was in most cases the medical care could have been purchased locally. The worst part for some of our veterans is they are either too old or too frail to make the trips and most suffered additional issues due to the travel. If the veteran needed cancer treatments this meant staying at a local hotel before and after the treatment placing the veteran at risk of additional medical issues and increasing the cost of their care.

Past Secretary of the VA Eric Shinseki authorized the Care Closer to home program and immediately we saw not only an increase in VA utilization we experienced for the first time a reduction in our daily health care complaints. It was common to have in my office each Monday an average of 60 complaints due to health care related issues. This number dropped to just under 20 once this program was in full stride and most of these issues were contributed to rural travel.

In our rural communities, Alaska native veterans and non-native veterans had all but given up hope that they could ever use their earned benefits. A large number had not enrolled in the VA Health Care program because they had to pay for the cost of travel to a VA facility. In most cases seeking care locally, even though expensive, was cheaper than a flight to a VA clinic. In reality most just gave up and only requested care when the medical issue needed emergent/urgent care.

Again, Past Secretary of the VA Eric Shinseki stepped in and established the 13 Medical Working Group. Each of us on the board was challenged to find a working solution for rural health care. Within 6 months, the VA/Alaska Native Health Care Partnership was formed and over the next 24 months all 26 Alaska Native Sharing agreements were signed. These agreements allowed veterans to be treated in the local native clinics across Alaska. This was the first agreement in the Nation of this kind. In Alaska it added another 122 facilities that our veterans had access to. This was the first time in Alaska that 98% of our veterans lived close to or in a community that provided healthcare.

It is easy to understand the VA would like to have a one size fits all program and make Alaska look like the *lower 48* but this is not a reality and we have to always work together to see what programs work best for our veterans. Passing laws and programs without first taking into account our unique issues will cause our veterans to lose their access to healthcare benefits. It takes time to establish new programs and most of all it takes longer to build the trust required to establish these programs. The three programs I discussed above took years to mature and they still have room for improvement.

We have come too far in our delivery of services to our veterans to turn back now. While the VA facilities in the *lower 48* were struggling under the burden of old policies and procedures, Alaska has successfully entered into new agreements and care models. Due to these models we are able to keep our primary care back log down and our programs became the model for the rest of the Nation. Even with doctor shortages throughout the state our programs continued to provide great service to our veterans. When we held listening sessions around the state our veterans continually thanked the VA for the healthcare proved locally.

CURRENT ISSUES OUR VETERANS FACE:

Late June 2015 all funding for the Care Closer to Home, DOD/VA Joint Venture, and the VA/Alaska Native program was pulled. Over night 8,000 veterans were without coverage through these three programs and they were instructed to use the Veterans Choice program. Each veteran went from outstanding local care to a program that could not provide access to local care. I do understand the reason for issuing every veteran in Alaska the Veterans Choice Card and its overall concept has merit. The issue we have in Alaska is the program did not take the time like the others to build trust or ensure a network of care was available before it was thrust on the veterans seeking health care.

Some of funds for our existing programs have been restored after a recent visit by Secretary McDonald. This has helped us continue treatment for our veterans across the state but it did not fix the issues with the Choice Program. In reality we still do not have the structure in Alaska to cover the basic needs of our veterans using the Choice Program. In order for the program to have any future success, it will take time to build a network of care providers. Today this program is still in the first stages of infancy. Most nonnative and native medical facilities will not participate in the Choice Program due to issue with appointments, the slow payment process, and even with an increase in payments they still do not cover the cost of care. On top of these three concerns shared by the medical community the veteran now has another level of bureaucracy between them and their care.

Today only a few of our veterans are using this card by choice. Most are forced into the program due to the lack of care at the VA facility. For example, if a veteran

being treated at the Kenai VA Community Based Outpatient Clinic (CBOC) is requested to receive an x-ray. The doctor will place the order in the system and the veteran has to call the Choice call center and request the x-ray. Doctor's notes sometimes don't make it through the system and the veteran must spend hours on the phone to work through this in order to receive the required test. To help this process along the Alaska VA Medical system has created a new team of nurses but it still takes hours if not days to ensure the veteran receives the care requested by the doctor. If the facility, that is required to assist the veteran, is not enrolled into the Choice program this takes even longer.

In the past, when the veteran was treated at the same CBOC, the doctor placed the request in the system and the appointment was set up by the local VA staff. The veteran was called with a time and place for the test/procedure. The veteran did not have to worry about the bill or placing the proper paperwork into the hands of the care provider. This was taken care of by VA staff and if questions were asked they were taken care of on the spot. Under Choice this becomes a never ending loop.

The Veterans Choice and Accountability Act of 2014 has merit on paper and could develop into a quality program over time. The issue experienced by Alaskan veterans was caused by the rapid defunding of our existing stellar programs and thrusting their care into an untested program. It would help our veterans even more if the prime contractor for the Choice program would establish an office in Alaska to help mature this program. We do have areas that need to be improved upon before the choice program can reach its full potential.

NEEDED IMPROVEMENTS:

First we need to ensure our existing programs will never befall another mid fiscal year loss of funds. No matter the reason or the cause of the funds being pulled the best way to ensure this rapid deceleration of funds will not occur again is to create a single line item in the VA budget that covers the \$127M needed to fund all three programs that serve our veterans through the following: local purchased care, Alaska Native Health Care program, and the DOD/VA Joint Venture. This will provide trust to those providing the care and those receiving the care.

Next, allow the Choice program to mature. If the program is extended it needs to have some critical changes to survive in the Alaskan environment. The payments for care should match what the VA currently pays under its existing programs. Next, if a veteran is 50% or greater disabled or seen for a service-connected condition than the veteran should not pay any copayments and be treated the same as if he/she is treated at a VA medical facility. Change the Choice program from payer of last resort and make it match the current purchased care program provided by the VA. This way when a third party insurance collection is collected it goes back to the VA. Not like today when the veteran is covered by insurance the Choice pays last and the veteran is stuck with all deductibles regardless of disability rating. My office as of today has received over 500 calls by veterans who have discussed dropping their insurance coverage due to high deductibles. In the end this does help the veteran and the local VA will lose over \$20M from insurance collections.

The Choice program needs to return to its original concept of a program that provides a choice to veterans. This should not be the program forced upon the veteran because of budget shortfalls. It was not developed for this type of service to our veterans nor was it intended for this type of coverage. Because of the forced utilization of this program it has caused broken trust and has severely discredited the VA system the Alaska veteran has utilized in the past. In Alaska we understand this new program was a knee jerk reaction to the issues experienced by our fellow veterans in the *lower 48*. Alaska should have been exempt from this program because we did not experience the issues faced in other states.

The primary contractor needs to be held to a higher level of accountability. The VA and the State of Alaska has been briefed several times that a local call center will be developed and that more doctors and medical facilities will be enrolled into the Choice program. We have passed the three week promised time for the call center and we still have few medical facilities and doctors enrolled in this program. What we have seen is the local VA Medical Center Staff, the Congressional Delegation, and the State of Alaska filling this role to facilitate calls for our veterans and find medical facilities and staff that will take the Choice program.

In summary, over the past seven years all Alaskans who provided services to our veterans have worked hard and created strong partnerships with the VA to ensure Alaska's veterans are well cared for. We have come a long way in our ability to provide equal care to veterans on and off the road system. I know the VA has funding challenges and so does Alaska. However, when the time comes to prioritize spending, we cannot do so at the risk of failing to keep our promises to our veterans. As

a Nation, we wrote the check when we sent them to war, and now it is incumbent on all of us to honor that agreement and their service. I urge the U.S. Senate to continue funding the programs greatly needed by the Alaska Veterans and to make critical changes to the Choice program that will allow veterans to never go without the healthcare they have earned.

Thank you for the privilege and honor of addressing this hearing on behalf of the Alaskan Veterans.

The CHAIRMAN. Thank you. Thank you very much, Mr. Bowen. Dr. Joslin.

STATEMENT OF DAVID JOSLIN, VETERAN

Mr. JOSLIN. Thank you, Senator. It is actually Mr. Joslin. I do not want to take away from any physician.

The CHAIRMAN. I always like promoting people.

Mr. JOSLIN. My name is David Joslin. Thank you for asking me to be here. I am the administrator of Diagnostic Health Anchorage, and I am also the manager of operations for the State of Alaska for Alliance Health Care Services. On top of that, I am also a retired sergeant first class in the U.S. Army. I am also a service-connected disabled veteran and a beneficiary of the Alaska VA Health System.

I have the unique perspective of witnessing the compounding issues with regard to the Choice program from both a beneficiary's perspective and a private-sector business partner's perspective. I am sure you have heard countless examples of how the program's implementation has affected veterans and their health care. Today I want to talk to you more specifically about the impact it has had on the private-sector business partners.

Once word of my participation on this panel became public within the Anchorage medical community, I received an outpouring of requests from other medical offices to speak with me before I got here today so that I could potentially be a collective voice for the medical community in Anchorage and relay some of the things that not just my practice has seen but other practices throughout the community.

Across the board in Anchorage, the medical community has experienced some of these common problems: patients being scheduled prior to authorizations being completed, which for us results in nonpayment for services that are already rendered; overall, 1-to-2-month delays in referral processing; delays in payment processing; major losses of work productivity in our medical offices as our nurse assistants, medical assistants, and nursing staff are on hold for 30 to 45 minutes at a time, waiting for Choice to pick up so we can begin to coordinate care; an apparent lapse of access to care standards; and an overall disregard for continuity of care.

More specifically for medical providers that had—and I say "had"—a contract with the VA prior to this, such as myself, I present the following, specifically my case with my contract with the VA. In February 2013, my company was awarded the Alaska VA Healthcare System exclusive private-sector contract for diagnostic imaging services. These were for referrals generated out of the Integrated Care services department off of Muldoon. It is a 1-year contract with four optional years built into the contract that runs from 1 February to 31 January. We are currently in the third year of that contract in the second option year.

Due to the implementation of the Veterans Choice Program and a complete change to the referral management system, as of May of this year, my contract has essentially been nullified, even though the Department of Veterans Affairs has entered into a binding agreement for service with my organization and that term has not expired yet.

When I questioned the local program managers at the local VA who, to the gentleman's comment to my right, are outstanding people to work with and are very easy to work with generally, the only answer I got is that they no longer have control over the referral of care for veterans.

When I called provider relations at TriWest, I was very abruptly told that their contract was separate and different from mine, and that they were under no obligation whatsoever to refer any diagnostic imaging business to my practice, regardless of my contract with the VA.

Could somebody tell me how, if I have a binding contractual agreement with the VA, how your failed implementation plan no longer guarantees my business? Not your implementation plan, obviously, but TriWest's and the VA's implementation plan.

My contract, as I am sure many other contracts state in the contract language, states that, "Only the contracting officer is authorized to make commitments or issue changes that will affect price, quantity, or quality of performance of this contract." Yet, when I attempted to work with my assigned contracting officers from the VISN 20 office, I was informed that she was just as in the dark on the changes as I was.

Given this, the VA as a whole, in my opinion, knowingly ignored and disregarded their own contracting processes and obligations.

Where do we go from here?

The first question from the medical community at large is, is the Veterans Choice Program, repealable? Can this be undone? If it is not able to be repealed as a whole, can Alaska, since we were doing fine before it, can we be exempt from the program and go back to doing business the way that we did before Veterans Choice?

As far as the VA's obligations to contractors such as me, in my opinion, the VA has opportunity to make this right. They have the opportunity to make good on their commitments.

First, I am asking that the VA conduct a contractual review to identify just how many private-sector contracted business partners were negatively impacted by this failed implementation. They need to identify just how many contracts they negated such as mine in a very poorly planned and rushed to market program.

Second, I am asking that they modify their contract with TriWest mandating that they honor the current standing contracts such as mine. Fewer and fewer medical providers are wanting to do business with the VA because of this program, and I think that they should make good use of the ones that still value that relationship.

Pending your questions, Senator, that is all I have today.

[The prepared statement of Mr. Joslin follows:]

PREPARED STATEMENT OF DAVID JOSLIN, ADMINISTRATOR, DIAGNOSTIC HEALTH ANCHORAGE; MANAGER OF OPERATIONS, STATE OF ALASKA, ALLIANCE HEALTHCARE SERVICES; AND SERGEANT FIRST CLASS USA (RET.)

Good afternoon, my name is David Joslin. I am the Administrator of Diagnostic Health Anchorage and the Manager of Operations for the State of Alaska for Alliance Healthcare Services. I am also a retired Sergeant First Class of our beloved Army, and a 70% service-connected disabled veteran and beneficiary of the Alaska VA Health System. Additionally, I hold the position of Post Service Officer for the Veterans of Foreign Wars, Post-9785 here in Eagle River, Alaska. I have the unique perspective of witnessing the compounding issues with regard to the failed implementation strategy of the Veteran's Choice program from both the VA private sector business partner's vantage point, and the personal view of a beneficiary. I am sure you have or will hear countless examples of how this program's implementation has had negative impacts on the Veteran community in Alaska in today's hearing. I too, could provide multiple stories and examples of circumstances and situations reported to me from my members at the VFW, from VA patients that receive healthcare services at my practice locally or even me personally; but I would rather talk to you about another negative impact that this program has had as it relates to me as a contracted business partner of the Alaska VA Health System.

In February 2013, my company was awarded the Alaska VA Health Systems exclusive private sector contract for diagnostic imaging services for VA Beneficiaries referred through the Integrated Care Services department. This is a one year contract with 4 optional renewal years built into the contract that run from 1 February thru 31 January for each contract term. We are currently operating in year 3 of this contract (option #2), which the current period runs from February 1st of this year to January 31st of 2016. Due to the implementation of the Veterans Choice program and the complete change to the referral management system, as of May of this year, my contract has essentially been nullified even though the Department of Veterans Affairs entered into a binding agreement for service with my organization that has not expired. When I questioned the local program managers at the Alaska VA Integrated Care office, I was told that they no longer have control over the referral of care for Veterans. When I called the Provider Relations line at Tri West, I was very abruptly told that their contract was separate and indifferent from mine, and that they are under no obligation whatsoever to refer any diagnostic imaging business to my practice, regardless of my contract with the VA.

As a publicly traded organization, we pride ourselves on integrity and accountability; they are two of our core corporate values. As such, we prepared our organization for this fiscal year based upon the binding agreement between our organizations and reported these strategies and accountable targets to our Executive Team, our Board of Directors and our Shareholders. As I am sure you would imagine, the change in business volume has gotten the attention of many in my organization, and they want answers. So, could somebody please tell me, how if I have a binding contractual agreement between my organization and the Alaska Veterans Health System, and now, due to your failed implementation plan, that I am no longer guaranteed any business from you? As a Platoon Sergeant in the Army, none of my various Commanders would have ever allowed a failure on my part to affect or permanently impact my Platoon and subordinate Soldiers, so why now has this become acceptable for an organization whose very foundation is built upon Veterans and Veteran Leaders, to conduct business in this manner? If your positions were MTOE or TDA assigned military positions in any branch of service, you would have been relieved for cause!

As per section 9, on page 60 of my contract it states specifically "Only the Contracting Officer is authorized to make commitments or issue changes that will affect price, quantity, or quality of performance of this contract." Yet, when I attempted to work with my assigned Contracting Officer, I was informed that she was just as in the dark on the changes as I was, and as such, the VA as a whole, in my opinion, knowingly ignored and disregarded their own contractual obligations and processes.

So, where do we go from here? In my opinion, the VA has the opportunity to make this right. They have the opportunity to make good on their commitments. First, I am requesting that the VA conduct a contractual review to identify just how many private sector business partners were negatively impacted by this failed implementation. The integrity of our entire nation is at stake when you willfully throw your obligations aside with no regard. Second, I am asking that you modify your contract with Triwest mandating that they honor current standing contracts such as mine. Standing behind your commitments and holding yourselves accountable is the first step to regaining the confidence of the American people and our Veterans. Finally, I am asking that to make this right, you automatically honor the final optional

years in these contracts. The bottom line is that because of this debacle, fewer and fewer medical providers wish to do business with the VA, so you had better make good use of the ones that still value your relationship!

I would like to thank you all for your time today for this important matter and in closing I would remind you that when dealing with the Veteran population, we will only respect you when you lead from the front.

Thank you!

The CHAIRMAN. Thank you very much for that testimony.
Ms. Williams?

STATEMENT OF SUSAN WILLIAMS, VETERAN

Ms. WILLIAMS. Good evening, Senator. Thank you for letting me talk tonight.

I am a 100 percent disabled veteran. I have been in the VA system for 20 years. I am also a registered nurse for over 30 years, and I have visited in my travels probably about 20 different VAs. I must say that Anchorage is one of the better VAs that I have ever been to. I have never had to wait for care. I have always gotten referrals and everything as I needed them.

I am extremely upset and disappointed about the service that I have been getting ever since this new Choice system came into being. I liked the idea of being able to choose the doctor or the place, but I do not think I have even been able to do that.

I am mostly going to give you some examples of what I have run into and issues I have had.

There was a radiology appointment made for me. One of my biggest issues with TriWest is that they will not let you make your own appointment. They have to make it for you. They do not know our schedules, so how can they even do that? They made me an appointment with radiology, and I told them that I could not go to that appointment. I was having a lot of problems walking. As soon as I was better, I would call and tell them to schedule the appointment. The lady I talked to said fine, no problems.

The next day, a lady called me from TriWest, very rude, and said that was not acceptable. She would make me the appointment and this was my last chance to go if I wanted the appointment.

I had bilateral knee replacements on May 27. The doctor sent all the paperwork they needed to the VA. While I was in the hospital 2 days after surgery, and also very high on dilaudid, the nurse manager came in and was unable to get me home care for the first 2 weeks before the physical therapy (PT).

I had to call the Choice program, tell them what I wanted, and then gave her the phone and said, look, I cannot talk to you. I am not in a talking condition, so you need to work with this lady to get me my home care. I did finally receive my home care.

At the same time, we set up an appointment for physical therapy, which I should have started on June 15. When June 15 rolled around, there was no authorization for physical therapy. I called numerous places. I called the VA. I called Choice numerous times. It actually took them 6 weeks to get my physical therapy approved.

As a medical professional, I cannot overstate the importance of physical therapy. With physical therapy, it is critical that you start physical therapy immediately. You can have need for additional surgery, you can get muscle contractures. You could have to be put back under sedation and have those contractures straightened out.

You can have loss of joint functions. You can have an increased recovery time, which is my problem now. There are numerous things that happen when you do not get it. You can end up in a wheelchair.

I finally went to PT. One of the therapists I had known as a medical professional said to come in and let me work with you and we will ask the VA to authorize it back to the State. I went in and went to a few appointments with him. They contacted the VA and got it approved—an authorization for me to go to physical therapy—and they would pay back to June 15. However, I just got a letter in the mail saying that they are not going to pay back to June 15.

I have a letter that says they are and a letter that says they are not. To me, the right hand does not know what the left hand is even doing.

I kept calling Choice throughout this 6 weeks and trying to explain how important it was. They tried to blame it on the VA and said, “Well, they take a long time to go through Integrated Care.” I told them, no, I have never waited more than a week before. Then they said it is in our contract. We have to wait 7 to 10 days before we can contact you about an appointment.

If you have a heart attack or if you have heart problems, diabetic problems, if you have ulcers or anything, those 30 days can cost you your life. If a diabetic has a toe ulcer, if it turns into gangrene, and that gangrene turns into sepsis, you are gone. There is no reason why people should have to wait.

While I was trying to get my physical therapy approved, I did get one call from TriWest, stating that I was now authorized to go in and see a doctor to have my surgery. That was a little late.

I tried to change the place I went to physical therapy from Anchorage over to Eagle River, because I live here, and I had a lot of issues with that. First, they did not want to change me. Then I had appointments at two places. Then I get a call from one company saying, “Where were you? You had an appointment here today.”

TriWest has done this to me numerous times, never let me know I had an appointment, never let me know they scheduled me for an appointment. I get calls from these offices saying, “Where are you? Why aren’t you here?”

Now I am authorized for two different physical therapists in Eagle River.

Being a medical professional, I knew what would happen if I did not get the physical therapy. I want to speak for the layperson who has no knowledge of this. They are being pushed off from physical therapy. It is dangerous to their life and to the way they live. There are all kinds of complications that can come from not doing this.

Another example, I have been seeing a chiropractor for 2 years. I asked for an extension on that, which was approved. I received a call from another chiropractor I have never heard of saying, “Where were you? You had an appointment here.”

There is no continuum of care. They want you going to this place, then this place, then this place. The continuum is gone.

Like I said before, heart patients, if they need a stress test, that could mean their death. Diabetic patients, neuro patients, if they have a small image in an x-ray and need an MRI, 30 days, that could be very large and inoperable by then.

They insist that you have to wait 7 to 10 days, just until they get the paperwork. It ends up being about 6 weeks.

In the VA, I deal with a small number of people and those people are very caring. This is, like I said, one of the best VAs I have been to. Integrated Care, which I use frequently, has always gotten me an appointment within a week. When I have an out-of-state appointment, they are right there taking care of everything for me.

I had an appointment with my urologist in the middle of the month. I called Choice in the middle of July and told them the time of the appointment. I still have not heard anything from them, so I missed the appointment.

TriWest has already showed me that they can lead you in the wrong direction. They tell you mistruths. A lot of the people I have talked to are rude and just hang up on you.

In conclusion, of all the doctor offices and stuff I have talked to here, no one has had anything good to say about Choice. I would love to be exempt from this and go back to the way we were, because it was a good system. We got the care that we needed. That is all I have to say.

[The prepared statement of Ms. Williams follows:]

PREPARED STATEMENT OF SUSAN WILLIAMS, ALASKA VETERAN

GOOD EVENING, Vet professional VA system for 20 years. Nurse for 30 years.

- Visited probably 20 different VA's in my travels
- Extremely upset and disappointed at the new Choice system
- Being able to choose Dr./place to go is nice but * * *
- Made me a radiology appointment and I canceled it. They called and I told them unable to walk, and I would call them about the apt when was able. The lady said no problem. Next day—lady called—not acceptable. She would make appointment. I would go.
- Had bad knees, May 27, Dr. sent paperwork to VA. While in hospital, nurse manager had to fight to get me home PT x2 weeks. Said I had to call Choice and ask for it. Set up an appointment for PT, 15 June—notified Choice.
- Importance of PT
- Additional surgery
- Contractures
- Loss of joint function
- Lengthened recovery time
- Went to PT—without authorization, Dr. knew me well from previous arthroscopies. Allowed me appointment anyways, went a couple times a week. Continued to contact VA and Choice for authorization, called director's office put in an urgent emergent. Kept calling choice—told me they saw request in computer. Said U/E request sent upstairs but would contact me in 7–10 business days. Claimed it was in contract with VA to wait that amount of time. Asked for a closer PT and had approved Select, so told, no didn't want closer ("rock the boat")—received phone call, why didn't I make appointment for the closer PT. Told Select that they would authorize back to 6/15. Sent me a letter saying no authorization. Waited 4 weeks after I should have started PT, set me way back with (?) nurse. Average lay person?
- Heart pts:
- Diabetic pts: ulcer to gangrene
- Loss of limb/life
- Septic
- Nerve pt: Wait 7–10 days plus
- Seeing same Chiro x2 years, Asked for extension and was approved. Received call from another Chiro asking why I didn't show up for appointment. NO CONTINUUM of care.

- Won't let make own appointments.
- Deal with same amount of people, very personal and caring
- Tri-West, already showed will lie, and not caring.
- Dr. Nelson—urologist
 - Made an apt for Aug. 19, notified VA.
 - Never heard from Choice as of today.

Conclusion: Of all the vets (and Dr. offices) I have talked to here in AK, not one had good things to say. Alaska had a good system. Deal = little wait/able to get info.

The CHAIRMAN. Thank you. I can tell you, from the letters, calls, and the testimony we have seen over the last few days, this is a very, very common story, which is why we are here tonight: to fix this.

Mr. Watts, again, thank you, sir, for your service as the commander for the VFW for the entire State of Alaska, for your participation yesterday, and for your willingness to testify in a hearing this evening. The floor is yours, sir.

**STATEMENT OF WALTER W. WATTS, JR., COMMANDER,
VETERANS OF FOREIGN WARS, STATE OF ALASKA**

Mr. WATTS. Thank you, Senator Sullivan. My name, for the record, is Walter W. Watts, Jr., and I am the current commander of the Veterans of Foreign Wars for the State of Alaska. I will not be speaking as the commander for over 7,000 veterans that are associated with our department, only because I just took office in the middle of July. I have not visited all 23 posts. I am talking from personal experience, first-hand experience, dealing with the Choice program.

Choice. I wish it were a choice, and I will tell you why.

I have been seeing a rheumatologist basically since 1998 when I got out of the Army, retiring as a Sergeant Major. A former State employee, I worked as a vet rep. My title was Disabled Vet Outreach Program Specialist. I have had nothing but good service. Before the VA had a rheumatologist down at the Anchorage center, they used to send me down to see Dr. Tan. Dr. Sky was my rheumatologist at the VA center. She is no longer there.

During this entire process, approximately every 3 or maybe 4 months, depending on what the schedule was and how often a rheumatologist needed to see me, they would notify the Integrated Care folks. The Integrated Care folks would contact me and say, "Walter, you are due for your follow-up with rheumatology." They would say, "What is a good date?" I would give them a good date, that information, and, boom, it worked. Not a hiccup. The only hiccup was if for some reason the phone system did not transfer down to Chet in travel, so I could get my flight down; that kind of stuff.

In the middle of May, the nurse called me and said, "Walter, we have talked to Integrated Care and they should be calling you." Integrated Care here in Anchorage called me and said, "Hey, we are going to get back with you to schedule an appointment." That worked for me and I said that the only thing is that it needs to be around 10 o'clock in the morning. "By the way, we are going to try to work with this new rheumatologist you have in Fairbanks." I said I do not have a problem with that.

Well, 3 days went by and I get a phone call, thinking everything is set up because he is a new doctor to the system. They were in a panic. "Walter, we are sorry. You have to call this 699-whatever

Choice number and opt in to Choice.” And I am like, if it is Choice, why do I have to opt in? “Because we do not have any money. They took all of our money. It is all gone.”

I thought about it a couple days. I called the number and finally got through after waiting a long time and told them what my name was, gave them my information as far as my last four, date of birth, etc.

They asked me for the Choice card. I had gotten three of them, sir. In the process of getting them from last fall, I moved. They are downstairs in the office in a box someplace, and they said, “Well, based on what you have given us, we are going to have to switch you over to the nurse line and they will start a case for you.” That went on, that went on, that went on. I made multiple phone calls. I called their office and they said, “Our system is down. It will be up in about 2 hours.” I called back, 2.5 hours later, the system is still down. I give them my name, give them my phone number and say, when the system comes up, could you please call me?

I did not hear from the Choice program until I went to our Congressman Don Young’s office in Fairbanks and filed a congressional inquiry. Now all of a sudden, everybody and his brother is trying to call me. I do not think I have to go to a Congressman to get someone who is supposed to be out there to help me as a veteran. Having served 27 years and did what I had to do, now I have to go to a Congressman to get something done?

I do not think that you or Congressman Young or Senator Murkowski should be the appointment makers for all of us veterans here in Alaska. It shouldn’t happen, OK?

I have information, unfortunately, it came out last weekend garbled in the email, from Congressman Young’s office on my follow-up and what I need to get done.

Having gone through that, as I said, I have gotten all kinds of phone calls. I had troubles with my vehicle last week when I was down here. I finally got back. I told them, I will contact you and let you know if I am going to go with this doctor in Fairbanks, because they were not sure. They said they made multiple calls and all this stuff to him. I said I went by his office and picked up a packet. I have that filled out. I just have to find time. Of course, yesterday, I was at the session in Fairbanks.

Why do we as veterans have to go through contacting our legislative group to get an appointment? Our system, I won’t say it was perfect, but it was damn close before Choice came about. Why? Because you had to “schedule” an appointment, the nurse would call me up and say, “Walter, I am getting in touch with Integrated Care. They should be getting in touch with you tomorrow, at the worst, the next day, because it is like 3 o’clock in the afternoon.” They will schedule your appointment as soon as you get off the phone, call down to travel. You go to travel.

Listening to the people at the VA here in Alaska, because I am also a tribal vet rep. Our VA here has been recognized for the health care consortiums for those veterans who are out in rural Alaska that have to go to native health care. It is a great program. I have not personally been out lately, but I plan on going to Bethel and other places to visit those facilities, visit those VFW posts

there. I will talk to the veterans who are there and see if anything has changed.

Because the programs that we had in place worked great. Now you have somebody sitting in the lower 48 that does not have a clue. When you do finally get through to them and they start looking at your stuff, they want to talk to you about how the weather is in Alaska, what Alaska is like, it has always been on their bucket list. That is not what I want to hear, personally. I want you to take care of my issues.

Now, they are jumping all over me to call them back, and I did do that not only yesterday after the session in Fairbanks, but I called them and we have just been missing each other, as far as the follow-up.

Why did we have to change the Choice program, which is not a choice? It is not a choice for me or any of these other veterans sitting here. What we had worked. Why should we do that?

The other side of it, and this is from a personal side, is payment. Right here, sir, I have approximately \$15,000 worth of bills from last September when I had back surgery. The doctor got paid. Everybody got paid, but the top one is from the hospital. They are not beating me up like some of the other veterans I know personally who have things going into collection and all these other kinds of things. This is what is happening to me. I have \$13,000 here.

Well, guess what? After my 5 September surgery, everything seemed to be going great. I got an infection in that procedure. I had to go back in, in October. Well, during the recovery time, I had a PICC line in me. My wife was coming home every day, in the morning getting up before she went to work to give me my antibiotics, coming home for lunch, doing the same thing in the evening. I had a home health care provider. They had to do weekly lab tests and all that.

Here is the other half of those bills, the other part of those bills.

Why do we as a veteran get things that were preauthorized, preapproved, have to go through getting things like this in the mail? Why do we have to face companies, whether it is a health care provider or another service that was preapproved and have to go back to deal with that provider, so that they can get paid? My provider at this point still has not been paid. I would like to provide that to you or provide that to the VA group that is here. It is totally up to you.

Why can't we go back to what we had, sir? Why can't we, as Alaskans, deal with what we previously had, because it worked for us? We don't care about the lower 48, the rest of the folks. They can come up with their own plan. Our plan worked for us, so why screw with something that isn't broken? It is kind of like in the Army. If it's not broke, don't fix it. Ours wasn't broke.

The CHAIRMAN. Mr. Watts, thank you very much for your testimony.

Mr. WATTS. Thank you, sir.

The CHAIRMAN. Thank you for your testimony yesterday.

Listen, there are obviously some common themes here. There are common themes that we heard on the Kenai Peninsula in Fairbanks. There is frustration. There are long wait times. I think Dr. Shulkin and his team should be commended.

There is also the idea that the local VA, whether it was in Fairbanks, whether it was here in Anchorage, whether it was on the Kenai Peninsula, was viewed by almost all of the veterans as being very responsive, very proactive. That has changed because, in many ways, the local control has been lost.

I know we want to keep to our schedule here, but your testimony was very important. I am going to ask just a few question to follow up on some of the testimony here.

I do want to get to this issue of the sense from all of you, if you can comment briefly, where we have gone from local control to elsewhere. Dr. Shulkin and I met with some of the folks at Integrated Care today, who are also frustrated because it now appears that the scheduling, the appointments, the approvals, the authorizations, are not occurring locally anymore. They are coming from Texas. They are coming from Louisiana. They are coming from places that, as Mr. Watts mentioned, are not at all familiar with our State.

How do you see that as impacting both the wait times and the morale of the veteran in Alaska on the other end of the phone? Anyone?

Mr. BOWEN. Well, I know, personally, every day I get a phone call from someone who has a bill like this, and they have called that number in Portland hundreds and hundreds of times only to get nowhere.

When they decentralized everything out of the facilities here in Alaska, we do not have anybody to touch. We used to be able to just go across the street and say, "We have an issue with this veteran. Can you please help us?" The local VA was totally responsive and able to provide them the health care that they needed, whether it was an appointment or whether it was bills getting paid. I don't know how many times emergency room visit issues have been taken over to the local VA and were resolved in-house.

Now even I am confused who outside of the VA, outside of Alaska, is responsible for the bill.

The CHAIRMAN. Just for the record, you are the premier VA official in the State of Alaska, are you not?

Mr. BOWEN. I do not know if I would say that.

The CHAIRMAN. I would.

Mr. BOWEN. I thought I was doing pretty good until the Choice program came on, and now I am trying to scramble and find that magic button to touch to try to help.

The CHAIRMAN. Mr. Bowen, if you are confused, the average staff sergeant getting out of the Marine Corps who is looking for benefits in Alaska and trying to understand the system, do you think he is confused?

Mr. BOWEN. I think that they are way in the dark. At least I can find someone in the chain somewhere who will point me in the right direction.

The problem we have is our everyday veteran who is trying to seek health care, they just do not have a chance to resolve these issues.

The CHAIRMAN. Or the time. We heard stories of veterans on the phone for 5 and 6 hours a day. A day.

You know, Mr. Watts, you make a good point. I think Senator Murkowski, Congressman Young, my office, certainly, we are working hard to take care of our veterans, to undertake thorough constituent service. That is part of our job. We love to do it. As you mentioned, and it came up in the last two sessions, it should not take calling your Senator to get an appointment at as a veteran. That came up time and time again.

Again, we are happy to help, but that is not what you want in terms of service. I think that is a frustration.

Can I ask you, Mr. Bowen, can you just provide a little bit more detail on the unique programs that were working in Alaska: the DOD/VA joint venture agreement; the Care Closer to Home agreement; and the VA Alaska Native Healthcare partnership agreements. How these were working, and yet how the funding ran out? We have, as you mentioned, \$127 million. What is going to happen on 1 October if this is not addressed; and how your recommendation, which I think is a very, very valid one: that until we have this issue thoroughly nailed down and addressed, that we should not be moving away from those kinds of programs to Choice when we know that is not ready for prime time, if it ever will be in Alaska.

Can you talk about that again, and what the \$127 million means, how you got that number, and why you think that is a good investment for good health care for Alaska's veterans, why it's a pretty good bang for the buck?

Mr. BOWEN. With the programs that we currently have, we will just use it like they have not gone away. With the Care Closer to Home, which is a program within the VA itself where they went out and actually purchased care at the local clinics and local doctors facilities that allowed veterans to be treated there, the next thing that was done is that we entered into 26 sharing agreements with the Alaska Native Healthcare System. With those 26—

The CHAIRMAN. What does that mean for an average veteran?

Mr. BOWEN. What it means for a veteran, the best way to explain it, and I love referring to Emmonak because that is where the idea actually started. Out in Emmonak there was a gentleman trying to get back to the VA in Anchorage for a blood test. It took him 4 days to get back for a blood test. He spent 2 days on the ground and then it took him 4 days to get back home.

The VA had to pay for this huge amount of travel just for this person to do a simple blood test. If he just would have gone to his local clinic, which was in Emmonak, he could have had the blood test done. The blood could have been shipped to Anchorage, and there would have been not 8 days or actually 10 days expended.

The CHAIRMAN. So, more convenient for the vet and saves the VA boatloads of money.

Mr. BOWEN. Lots of money in travel. It allows the veteran to get that critical care instantaneously at home.

It does not matter if you go to Alakanuk or one of the outlying communities where they have clinics where you can get your blood pressure pills and you can get continuity of care throughout the year. Even if you have to come into the VA to have your physicals, you are still getting back care within the Alaska Native Healthcare System, whether you are native or non-native, throughout the State.

What that did is it opened up access to care for our veterans like they had never had before. Now, it also did one other thing, because our veterans could only travel back to the VA on the expense of the VA if they are 30 percent or greater disabled or if the care is for something that happened while they were in the service. We have a lot of veterans out there that do not have a disability. They are just in the normal VA care system priority group 7 or priority group 8 that are seeking care within the VA system, which is a benefit they have earned. If they want to come into the VA, they have to pay for it themselves.

Opening up the Alaska Native Healthcare System and the Care Closer to Home program allowed our veterans to receive care at home. They did not have to travel anywhere.

Now, all of us know in Alaska that we do have to travel sometimes for specialty care. I mean, it is just the way it is, because of the limitations we have across the State. So, that is what those two programs did for us.

PC3, on the other hand, was another contract vehicle that was coming in place which was another network of care outside of the Native Healthcare System, which allows our veterans to be treated in the Kenai Peninsula Hospital and the Ketchikan facilities.

Looking at the different facilities we have throughout the State, it gave us a robust vehicle, whether it be Care Closer to Home that was purchased through the VA itself, PC3 that was purchased under a contract vehicle, or whether it was done through the Alaska Native Healthcare System.

The CHAIRMAN. What happened to those programs when the Choice Act was implemented?

Mr. BOWEN. The Choice Act did not do anything to those programs. But, what happened after this was when all of the funding in the lower 48 was used to go out and purchase Care Closer to Home across the lower 48 to fix their problems, all of a sudden the VA went from \$5 billion in purchased care to \$9 billion in purchased care. That meant Alaska lost all of its authority to purchase care within the State.

The CHAIRMAN. How do we fix that?

Mr. BOWEN. How we fix it is that we add a line item within the VA budget that says that \$127 million stays within Alaska within these three different programs. That way, if the lower 48 decide to spend \$9 billion in purchased care, which is already directed by Congress to be used specifically for this, VA will not be able to pull it out and use it for another shortfall within their budget.

The CHAIRMAN. Let me ask a final question.

Again, I really appreciate this panel's testimony and relaying your experiences. I think it gives a good flavor. This is the flavor that we have been seeing—the frustration, the time, the sense of why did we fix a system that was already working well?

As you mentioned, Mr. Watts, it is not perfect, but it was certainly better than what we have presently.

You have some senior officials that I am very, very appreciative have come all the way from Washington, DC, for this hearing, and we have them in front of all of us. This is an official Veterans' Affairs Committee hearing for the U.S. Senate.

In conclusion, if each of you had a magic wand to fix this, if you could, briefly, what would your resolution be?

Again, you can be as complex or as simple as you like on this. I would like to hear from each of you what you would do, what you would recommend to the witnesses on the upcoming panel to address what I believe everybody, including the next panel, agrees has been a fiasco for our State?

Mr. BOWEN. I guess I will start. I have the mic.

I would fully fund the systems that we currently have that were being utilized. I would fund them at the amount we need to make them work.

The CHAIRMAN. What was that amount again?

Mr. BOWEN. \$127 million.

Then, on top of that I would exempt Alaska from the Choice program more so on the basis that it can never be the number 1 program again. If anything else ever happened, it needs to be where it needs to be. It needs to be a choice, just like the word says. The veterans should have the choice to use it or not to use it.

What happened to our veterans is that it was not a choice. They had to use it, which they got caught in the ramp-up of a new system, and that really was unfair.

I think fully funding the system would resolve any future issues that we have.

The CHAIRMAN. Great.

Mr. Joslin?

Mr. JOSLIN. Thank you, sir.

I, too, concur. I think the State of Alaska needs to be exempt from the Choice program. We need to take care if not directly back to the Integrated Care team at the VA, we need to look at utilizing case managers, nurse case managers or care managers, and not schedulers. There has to be a focus on continuity of care and the continuum of care, as was addressed by Ms. Williams.

Just scheduling a VA patient wherever does not work. We took a system where care was directed for them and we created a system where they had to choose their care. For normal people who work in a health care system, navigating the health care environment can be difficult. If you take a VA patient that might have some behavioral health or mental health concerns and multiple complex medical issues as well and ask them to navigate a health care system that as a senior health care manager I have a problem navigating at times, it is not going to work out well.

We have to get the program back. I agree Choice needs to be a safety net, where it needs to be there, but it needs an exemption clause, not the primary focus of care.

The CHAIRMAN. Great. Thank you.

Ms. Williams?

Ms. WILLIAMS. I think this panel is going to be unanimous that we need to be exempt from Choice. It obviously is not working up here. I do not know about the lower 48.

I also think that we should take a look at the system and see other areas we can cut finances that are being wasted and put it into the care that we need in Alaska.

The CHAIRMAN. Great. Thank you.

Mr. Watts, the final word?

Mr. WATTS. A magic wand.

The CHAIRMAN. A magic wand.

Mr. WATTS. A magic wand. Go back to what we had before that mid-May—you guys know what that date was—before that. Get Alaskans back in here doing what they do well. Put more people in Integrated Care at the Anchorage VA facility, because that is what works for Alaska. That cookie-cutter formula does not work here.

Let's keep it simple, do what we were doing well, and go back to doing it.

The CHAIRMAN. Great.

Well, listen, I really appreciate and want to thank the panel again for your dedication, for your service, for all of you as veterans, for your continued service—all of you—to our veterans, and for your testimony here at this hearing. I think it was very, very informative, and it is, certainly, going to help get us on the pathway to where we need to be, which is taking care of our veterans and doing a better job here in Alaska on that. Thank you very much.

I would now invite the second panel to please come up to the podium, and we will begin the second panel in a matter of minutes. Thank you very much. [Pause.]

Great. I want to continue our hearing.

I want to thank, once again, the members of the second panel, Dr. David Shulkin, in particular, who is the Under Secretary for Health at the VA.

Dr. Shulkin, as I mentioned earlier, has a very extensive resume as a medical physician, as a hospital administrator, and is someone in his confirmation hearing who stated pointblank he wanted to serve in the VA in a difficult position like this simply because he wanted to serve our veterans. That was it, public service. I very much appreciate him wanting to take on a tough role and very much appreciate him coming to Alaska. I think we have all learned a lot together, and we want to work together on these issues.

Dr. Andrea Buck, who is associate director for medical consultation review in the Office of Health Care Inspections at the Office of Inspector General at the VA, and Mr. David McIntyre, who is the President and Chief Executive officer of TriWest.

Mr. McIntyre, I also appreciate you attending the listening session in Fairbanks yesterday. You got a lot of the flavor of what the significant concerns are with the TriWest program.

Without further ado, I would ask for the opening statements. I would like to keep those within 5 minutes so we can get to questions. Again, I very much appreciate the panel coming here this evening.

Dr. Shulkin?

STATEMENT OF DAVID J. SHULKIN, M.D., UNDER SECRETARY FOR HEALTH, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY THOMAS LYNCH, ASSISTANT DEPUTY UNDER SECRETARY FOR HEALTH CLINICAL OPERATIONS; LARRY CARROLL, NETWORK DIRECTOR, VISN 20; AND LINDA BOYLE, ACTING DIRECTOR, ALASKA VA HEALTHCARE SYSTEM

Dr. SHULKIN. Good evening, Senator Sullivan. Thank you for the opportunity to appear before you to discuss the Department of Veterans Affairs health care and benefits for Alaska veterans and their families. I also want to thank you for your invitation to visit Alaska to see the VA healthcare system here firsthand.

With me today to my left is Dr. Thomas Lynch, who is the Assistant Deputy Under Secretary for Healthcare Clinical Operations based in D.C. I am also accompanied behind me by Mr. Larry Carroll, who is director of the VA's Northwest network, and Dr. Linda Boyle right behind me, who is the acting director of the Alaska VA Healthcare System. Also with us today is Dr. Cynthia Joe, who is the chief of staff of the Alaska VA Healthcare System.

I really want to recognize the Alaska veterans who are here in attendance. Thank you to you for your service. You are the reason that the VA opens its doors every day, and we want to ensure that you have the highest quality care and timely care.

I want to thank the first panel for sharing their experiences. It is very helpful, and we will get back to how we think we can help fix the situation.

Senator Sullivan, I also want to particularly thank you for your leadership and support for changing the 40-mile rule, the desistance calculation eligibility rule, a change that not only benefited Alaska veterans but those veterans across the country who are eligible for the Choice program.

I think most people know, 2 weeks ago, Secretary McDonald traveled across Alaska to meet personally with Alaska veterans, tribal leaders, and our partners across the State. Right after he got back to Washington, the Secretary and I met so he could talk to me about his perspectives before I came to Alaska myself.

I just want to assure you that we heard you. We hear your message loud and clear that the Choice system is not working for you. The VA has to continue to find ways to make this better, to improve access, and to coordinate care for veterans not only within VA itself but within our community partners.

I now know firsthand, thanks to the invitation here, Alaska has some very unique challenges. It is different from the lower 48, and we have to work together to overcome these challenges.

As the Senator said, today marks my 49th day as the Under Secretary of Health, so I can bring a fresh set of eyes and the private sector physician perspective to the challenges that are facing veterans here in Alaska.

Our listening sessions in Fairbanks and Kenai yesterday underscored the need to maintain our current Department of Defense and tribal agreements, as well as address the issues we are hearing about today in the Veterans Choice Program.

The messages that we heard in these listening sessions were that the veterans were extremely satisfied with their local VA care, but

the challenges with the Choice program have been overwhelming. We heard that from the first panel.

The message was also clear that veterans felt that we needed our local VAs to have more local control and autonomy and less centralized control and authority from organizations like in Washington, D.C.

Based upon the feedback that we heard, I want to share with you six principles that are going to guide our decisionmaking in fixing the problems here in Alaska.

Number 1, we plan to honor our agreements to ensure continuity of care for veterans with the Department of Defense, the Indian Health Service, and the tribal organizations. VA's relationship with Joint Base Elmendorf (JBER) is one of 11 nationwide that is a joint venture. We all know that JBER was recognized as the best inpatient facility patient safety program in the Pacific Air Forces for 2014.

Alaska has led the Nation in a developing VA sharing agreements with native health care entities with 26 of those agreements currently in place.

Number 2, we will continue to build the Choice network with willing providers and to improve veteran awareness and understanding. VA has held outreach sessions for Choice vendors in Anchorage, Mat-Su, Kenai, Fairbanks, Juneau, and Ketchikan to explain and encourage vendor participation in the Choice program. The VA has held numerous one-on-one vendor office visits to assist new Choice providers with signing on and navigating the Choice program.

Number 3, we will work for contractual arrangements with TriWest that will allow the VA staff to be directly involved in scheduling and appointment authorizations. We're working with TriWest to explore options to modify the contract where the VA could have the primary role in scheduling the coordination of care. Those functions would be brought back into the VA to simplify eligibility authorization and referral to the TPA for veterans that have care in the community.

Number 4, we are pursuing policies, regulatory and legislative authority, to allow for maximum flexibility in community care funding. VA recognizes and understands the Department of Defense and some tribal communities may wish to maintain their current arrangements and not join Choice. The VA has urged Congress to pass legislation that would enable us to reconcile and merge the many different non-VA programs into a single community program and budgetary fund. Having such a consolidated fund for VA care in the community would improve the understanding of care when VA authorizes and pays for care in the community. The VA is submitting a plan to Congress to accomplish this by November 1.

In addition to the budget and single appropriation for care in the community, we are working with Congress to also eliminate administrative and bureaucratic issues with authorization or referral for veterans for care in the community. We urge Congress to give us this flexibility to refer veterans to our DOD, tribal, and other providers in the community, depending upon the unique needs of the veterans, the State, and local communities, such as here in Alaska.

Senator Sullivan, we need you and your colleagues' support to accomplish this.

Fifth, we want to explore joint ventures in innovative models between VA and community partners to find better ways to serve Alaska veterans. Given Alaska's large geographic and significant travel challenges, VA must work diligently with Federal, State, tribal, and local community partners to expand their care in the community. The VA realizes that without each of our community partners, we could not continue to provide the high-quality care and enhanced care for Alaska veterans. The VA is committed to working collaboratively with all of our community partners to develop joint solutions here in Alaska.

Finally, number 6, is recruitment and retention. It is critical that we increase our efforts to recruit providers to come to Alaska and to be very proactive in that recruitment. It is equally critical that we work to retain those who choose to work in our system here in Alaska.

In conclusion, our objective is to always provide veterans with timely and high-quality care with the utmost dignity, respect, and excellence. We recognize that we have had challenges doing that in the past couple months. I understand that Alaska offers some unique challenges to providing that care, but I do believe that together we can overcome those challenges.

Senator Sullivan, this concludes my testimony. My colleagues and I are prepared to answer any questions that you may have.

[The prepared statement of Dr. Shulkin follows:]

PREPARED STATEMENT OF DAVID SHULKIN, M.D., UNDER SECRETARY FOR HEALTH,
VETERANS HEALTH ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

GOOD AFTERNOON SENATOR SULLIVAN. Thank you for the opportunity to appear before you to discuss Department of Veterans Affairs (VA) health care and benefits for Alaska Veterans, and their families. With me today at the witness table is Dr. Thomas Lynch, Assistant Deputy Under Secretary for Health Clinical Operations. I'm also accompanied by Larry Carroll, Director of VA's Northwest Network, and Dr. Linda Boyle, Acting Director of the Alaska VA Healthcare System.

Today, I will briefly review the current facilities and services of the Alaska VA Healthcare System (AVAHS) which will also include information about enrolled Veterans and current users, tele-health and training initiatives, agreements with Federal and Tribal healthcare systems, the Veterans Choice Program and the delivery of non-medical benefits and services.

ALASKA VA HEALTHCARE SYSTEM FACILITIES AND SERVICES

The Alaska VA Healthcare System provides health care to eligible Alaska Veterans through an integrated delivery system that includes VA clinical care sites and care provided through a VA/DOD Health Care Resources Sharing Agreement and 26 Direct Care Services Reimbursement Agreements with Alaska Tribal Health Programs. The Alaska VA Healthcare System's Joint Commission-accredited facilities serve Veterans throughout Alaska. The parent facility is located in Anchorage, Alaska and is attached to the 673d Medical Group (MDG), Joint Base Elmendorf-Richardson (JBER) via a connecting corridor. There are three VA Community-Based Outpatient Clinics (CBOC), which are located in Fairbanks (358 miles north of Anchorage), Kenai (158 miles south of Anchorage), and Wasilla (Mat-Su) (41 miles north of Anchorage). The Fairbanks VA CBOC is located in the Bassett Army Community Hospital under a VA/DOD Health Care Resources Sharing Agreement. In addition, there are two VA Outreach Clinics. One is located in Homer and is an extension of the Kenai CBOC. The Homer clinic serves Veterans twice a week at the South Peninsula Hospital under a contract for space and ancillary services. The second is located in Juneau (569 miles from Anchorage). The Juneau VA Outreach Clinic operates under a lease in the Juneau Federal Building, leveraging efficiencies of space and operations with the U.S. Coast Guard. The cities of Anchorage, Fair-

banks, Wasilla, and Soldotna are also home to VA Readjustment Counseling Centers, or Vet Centers, which provide counseling, psychosocial support, and outreach to Veterans and their families.

AVAHS provides or contracts for a comprehensive array of health care services. It directly provides primary care, including preventive services and health screenings, and mental health services at all locations. Inpatient care is provided at JBER as well as through contracts with community medical facilities. AVAHS provides specialty care in General Surgery, Podiatry, Orthopedics, Cardiology, and Optometry. Urology and Ophthalmology are provided at JBER. The Anchorage facility also has a Dental Clinic, Physical Therapy and Occupational Therapy clinic and an Audiology Clinic. Audiologists travel to VA CBOCs and Coast Guard clinics in Southeast Alaska to provide care to Veterans. The audiologists have also traveled to rural areas of Alaska, such as Bethel, Unalaska and Metlakatla, to provide direct patient care. AVAHS also has an active Home-Based Primary Care program serving 89 Veterans in their homes within a 20-mile radius of the Anchorage facility.

AVAHS also offers a comprehensive continuum of care for homeless Veterans. Inpatient mental health services are provided through contracts with community psychiatric facilities and hospitals, as well as specialized programs at VA facilities in the Lower 48. Additionally, AVAHS has a 50-bed domiciliary located in midtown Anchorage. There is a Fisher House located on Air Force property that serves eligible servicemembers and Veterans. AVAHS contracts for nursing home care and other non-institutional care programs which include adult day care, respite, hospice, homemaker/home health aide, and skilled nursing.

ENROLLED VETERANS/CURRENT USERS

As of Fiscal Year (FY) 2015, there are 73,276 Veterans residing in Alaska (VSSC Enrollment and Vet Pop Projections Report). With dedicated outreach efforts by AVAHS, enrollees increased from 22,000 in FY 2002 to 32,104 as of August 2015 (VSSC Current Enrollment Cube), a 45.9% increase; 44% of Alaska Veterans are now enrolled in VA Health Care. In the same time period, Veteran users of VA health care benefits have increased from 12,262 in FY 2002 to 18,741, a 52.8% increase. Over 88 percent of enrolled Alaska Veterans live in a borough with a VA clinical presence. With the addition of care provided through 26 Direct Care Services Reimbursement Agreements with Alaska Tribal Health Programs, Alaska Veterans enjoy excellent geographic access to VA or VA-authorized care. While there has been progress, we know that there are still opportunities to increase access and utilization as indicated by the following chart.

	Vet Pop	Enrollees	Users
(02013) Aleutians East, AK	151	32	13
(02016) Aleutians West, AK	345	49	16
(02020) Anchorage, AK	30,155	14,984	8,974
(02050) Bethel, AK	994	310	93
(02060) Bristol Bay, AK	114	32	16
(02068) Denali, AK	233	84	41
(02070) Dillingham, AK	295	99	38
(02090) Fairbanks North Star, AK	12,664	4,662	2,680
(02100) Haines, AK	282	90	45
(02105) Hoonah-Angoon, AK	197	83	39
(02110) Juneau, AK	2,256	928	469
(02122) Kenai Peninsula, AK	5,522	2,592	1,736
(02130) Ketchikan Gateway, AK	1,457	388	170
(02150) Kodiak Island, AK	1,363	386	186
(02164) Lake and Peninsula, AK	117	40	13
(02170) Matanuska-Susitna, AK	10,886	5,209	3,257
(02180) Nome, AK	671	126	35
(02185) North Slope, AK	346	85	33
(02188) Northwest Arctic, AK	459	92	21
(02195) Petersburg, AK	402	106	46
(02198) Prince of Wales-Hyder, AK	541	209	103
(02220) Sitka, AK	786	242	110
(02230) Skagway, AK	85	24	13
(02240) Southeast Fairbanks, AK	747	446	233
(02261) Valdez-Cordova, AK	1,076	376	199
(02270) Wade Hampton, AK	278	107	26
(02275) Wrangell, AK	266	114	48

	Vet Pop	Enrollees	Users
(02282) Yakutat, AK	78	17	7
(02290) Yukon-Koyukuk, AK	510	192	81
	73,276	32,104	18,741

MAT-SU VA CBOC

On July 7, 2015, VA Office of Inspector General (OIG) released its report, "Healthcare Inspection: Scheduling, Staffing, and Quality of Care Concerns at the Alaska VA Healthcare System Anchorage, Alaska." The investigation was conducted to assess the merit of allegations regarding provider availability, workload, access, quality of care and security, and scheduling practices.

The investigation substantiated that Mat-Su CBOC had a period of inadequate staffing, which resulted in poor access to care for some patients, which in turn resulted in poor quality of care. The investigation did not substantiate the allegation of security issues at Mat-Su CBOC. The OIG found that there had been problems with scheduling practices in 2008, but there were none at the time of the investigation.

VA appreciates this review by the OIG and the opportunity to improve the service we provide to our Veterans. VHA is committed to correcting the issues in the report. Action plans have been implemented to address the recommendations, with all actions expected to be completed by December 31, 2015. AVAHS leadership remains committed to improving care for our Veterans in Alaska and will continue to keep Veterans and stakeholders informed of our progress as we work on improving service, access and overall quality of care.

INITIATIVES

Tele Behavioral Health—AVAHS, under the auspices of the Alaska Tribal Health Program (ATHP) Direct Care Services Reimbursement Agreement with Southeast Alaska Regional Health Consortium in Sitka, AK, implemented a Tele-Behavioral Health project to provide one half-day per week treatment for Veterans with Post-traumatic Stress Disorder (PTSD). This initiative, approved through the Veterans Health Administration (VHA) Office of Rural Health provides treatment via telemedicine by a VA provider located in Anchorage to Veterans who are present at Mount Edgcomb Hospital in Sitka. Since its start on August 8, 2013, the clinic has added another half day of care for Sitka and is expanding to include three more Southeast Alaska communities. The program will serve its first Veteran in Angoon by the end of FY 2015 and will begin serving Kake and Hoonah in FY 2016.

AVAHS has also initiated secure Clinical Video Telehealth into Veterans' homes. All AVAHS behavioral health providers have completed foundational training to expand secure Clinical Video Telehealth into the home. Four providers are actively providing this service to ten rural Veterans.

Telehealth—AVAHS makes active use of several telehealth modalities in order to offer services to Veterans. Alaska Telehealth services include: Teledermatology, Teleretinal Imaging, Tele Behavioral Health, Tele Renal Transplant Evaluation, Tele Amputation Evaluation, and Tele Medication Management. Group Telehealth services include: Tele Diabetes Education, Tele Nutrition Education, TeleMOVE!, and Tele Behavioral Health.

As of the third quarter FY 2015, over 2,300 Veterans have been served by AVAHS's Telehealth programs. New clinics, such as Tele Audiology and Tele Substance Use Disorder Group are being developed and will be operational in FY16.

Tele Primary Care—AVAHS initiated a pilot Tele Primary Care Clinic on June 27, 2013. A primary care nurse practitioner located in Denver, Colorado held clinic twice per week providing care to Veterans in Alaska. The pilot was successful, and now has grown to four primary care clinics supported by providers in Colorado, Florida, Idaho, and California. These clinics currently have capacity to serve 2,380 Veterans. In FY 2016 the program will expand from the main Anchorage facility to community based outpatient clinics located at Mat-Su and Fairbanks. These clinics will be supported by providers located in Boise and Anchorage adding an additional capacity for 1,500 Veterans. This program is leveraging technology to meet provider shortages.

Rural Outreach Program—The Rural Outreach Program has continued to expand its outreach to rural communities with the support of funds from the VHA Office of Rural Health. Outreach has moved beyond the hub communities to the smaller

villages, which include, but are not limited to, Cold Bay, King Cove, Mentasta Lake, Tok, Fort Yukon, Beaver, and Stevens Village. VA staff have visited between 24 to 30 communities per year for the past three fiscal years. Community-wide enrollment and benefits-outreach events, known as Stand Downs, for Veterans in rural areas have occurred in Juneau in 2012, Dillingham in 2013, Bethel in 2014, Dutch Harbor/Unalaska Homer, Kotzebue, and Kenai in 2015, and will occur in Nome in September 2015.

Tribal Veteran Representative (TVR) Program—The TVR program uses local community volunteers to assist VA in reaching out to Alaska Native Veterans. A TVR is an Alaska Native Veteran or recognized individual appointed by an Alaska Native Health Organization, Tribal Government, Tribal Council, or other Tribal entity to act as a liaison with local VA staff. The TVR is a volunteer, unless paid by the Alaska Native entity who selects the individual to represent them. Collaborative training is provided by VA health care and benefits staff. To date, 13 TVR training sessions have been conducted. In 2015, training was conducted at Dutch Harbor, Homer, Kotzebue and Kenai, and will be conducted in conjunction with the Stand Down event in Nome. AVAHS has trained 250 TVRs from 40 Alaska communities to date. This effort will continue next year and beyond, dependent on funding and budget for the Rural Health office.

VA/DOD HEALTH CARE RESOURCES SHARING AGREEMENTS AND DIRECT CARE SERVICES REIMBURSEMENT AGREEMENTS—AVAHS's VA/DOD Health Care Resources Sharing Agreement with the 673d MDG JBER provides for services to eligible Veterans and DOD beneficiaries. The Alaska VA Healthcare System also maintains a VA/DOD Health Care Resources Sharing Agreement with Bassett Army Community Hospital, Fort Wainwright. The Juneau clinic and the U.S. Coast Guard in Juneau, Alaska are able to assist each other due to their proximity in the Federal building. In addition, AVAHS and the 673d MDG have had successful Joint Incentive Funds (JIF) projects for Enhanced Outpatient Diagnostic Services to integrate VA demand for Computed Tomography (CT)/Magnetic Resonance Imaging (MRI), establishment of a Sleep Lab, addition of a second MRI to increase access/capacity, establishment of a Pain Management Clinic, and Cardiology Services Enhancement for 2013/2014. The quality and level of service enabled by VA's health care resources sharing agreement with the 673d MDG, led 673 MDG to win "Best Inpatient Facility Patient Safety Program in the Pacific Air Forces for Fiscal Year 2014," enhances and provides additional support for Alaska Veterans. In addition to the clinical JIF projects, the relationship results in significant efficiencies in the integrated warehouse and sterile processing departments. When VA determined to institute ISO 9001 standards into the Sterile Processing Service (SPS), the integrated SPS located at the 673d MDG also incorporated ISO 9001 standards into their processes. The jointly staffed Intensive Care Unit offers tremendous capacity to Veterans that would not otherwise be available. In addition, the Air Force Emergency Department (ED) functions as the ED of choice for Anchorage bowl Veterans.

Alaska Federal Health Care Partnership (AFHCP)—The AFHCP is a formal, voluntary, interagency relationship between DOD, Department of Homeland Security, Health and Human Services' Indian Health Service, VA, Alaska Native Tribal Health Consortium, and Alaska Native Medical Center working together to share and provide efficient delivery of healthcare education to combined audiences, as well as sharing information, talents, and experiences to improve patient care for all Federal beneficiaries throughout the State of Alaska.

Direct Care Services Reimbursement Agreements with ATHPs—In 2012, VA signed 26 Direct Care Services Reimbursement Agreements with ATHPs to reimburse the ATHPs for direct care services they deliver to eligible Native and non-Native Veterans seen throughout Alaska. These are 5-year agreements, and have strengthened both VA and ATHP systems to increase access to care for Native and non-Native Veterans, particularly those in remote and rural areas served by ATHPs. The Alaska VA has purchased care for approximately 8,000 Veterans and paid over \$13,000,000 in care since signing the agreements. Care received by Veterans living in rural communities is steadily increasing. When shortfalls due to provider staffing occurred, Southcentral Foundation in Wasilla began providing primary care to over 1100 Veterans. There are over 600 Veterans receiving primary care at Chief Andrew Isaac Clinic in Fairbanks Alaska, thereby providing access to care for Veterans living in areas where attracting providers has been challenging.

Veterans Choice Program—The Veterans Choice Program is helping VA to meet the demand for Veterans' healthcare in the short-term. VA's goal is always to provide Veterans with timely and high-quality care with the utmost dignity, respect, and excellence. For the Veteran who needs care today, VA's goal will always be to provide timely access to clinically appropriate care in every case possible. However, as we have shared with staff for the Senate and House Committees' on Veterans

Affairs, users of the Veterans Choice Program have identified aspects of the law that are challenging. We are working diligently to address these challenges and to turn them into opportunities to improve VA care and services.

As of August 4, 2015, AVAHS had made 5,215 referrals for care through the Veterans Choice Program. Town Hall outreach sessions for community providers have been held in Anchorage, Mat-Su, Kenai, Fairbanks, Juneau and Ketchikan to explain the Veterans Choice Program and encourage provider participation in the Veterans Choice Program. Numerous one-on-one provider office visits have been conducted to assist individual office staff with signing on as Veterans Choice Program providers and with navigating the Veterans Choice Program. Town Hall outreach sessions for Veterans have also been held in Anchorage, Mat-Su, Kenai, Fairbanks, Juneau and Ketchikan to inform and assist Veterans with the Veterans Choice Program. AVAHS has grown their cadre of "Choice Champions" staff, specializing in the current information and processes of implementing the Veterans Choice Program, to include additional Anchorage VA staff and CBOC staff. This enables specific staff to develop and retain in-depth knowledge of the Veterans Choice Program to assist Veterans with specific concerns. Choice Champion staff has met with VA Alaska employees, engaging in information sharing and problem-solving regarding implementation of the Veterans Choice Program.

To summarize, AVAHS continues to work to increase access to Alaska Veterans. The most significant accomplishments in the past two years have been AVAHS's outreach to rural Alaska as well as the Direct Care Services Reimbursement Agreements with ATHPs. A continued priority is to reach Veterans statewide to increase enrollment and access to VA services closer to where the Veteran resides. This can be provided either directly, through tele-health by VA staff, or through contracts or other agreements with medical facilities already located in their home communities.

VETERAN BENEFITS ADMINISTRATION

Approximately 80 percent of Anchorage Regional Office (RO) employees are Veterans themselves. 35 employees work in the Veterans Service Center (VSC), and eight work in Vocational Rehabilitation and Employment (VR&E). The RO is currently onboarding two new Vocational Rehabilitation Counselors to support the two counselors currently overseeing the VR&E Integrated Disability Evaluation System (IDES) activities at Fort Wainwright and JBER.

Employees at the Anchorage RO are extremely motivated and provide excellent service to Alaska Veterans and their families; nonetheless, they fully understand there is more work to be done as we work to eliminate the claims backlog.

CONCLUSION

In conclusion, AVAHS has continued to improve access and services to meet the needs of Veterans. We are committed to ensuring the best possible service is provided to Veterans, their families, and surviving spouses. We are happy to answer any questions you may have.

The CHAIRMAN. Thank you, Dr. Shulkin. I appreciate that testimony. I appreciate you laying out those principles as a way forward. I think those are some things that we will be looking forward with you and other key stakeholders in all of this, to make that work.

Dr. Buck.

STATEMENT OF ANDREA C. BUCK, M.D., CHIEF OF STAFF, HEALTHCARE OVERSIGHT INTEGRATION, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF VETERANS AFFAIRS, ACCOMPANIED BY SAMI O'NEILL, DIRECTOR, SEATTLE, WA, OFFICE OF HEALTHCARE INSPECTIONS

Dr. BUCK. Senator Sullivan, thank you for the opportunity to speak before you today. It is an honor to do so and to address the unique needs of Alaskan veterans. I am accompanied by Ms. Sami O'Neill, our director from the Seattle office and the Office of Healthcare Inspections.

We were asked to testify regarding our recent report on scheduling, staffing, and quality of care concerns at the Alaska VA

Healthcare System. This work was done in response to a request from Senator Murkowski to look primarily at the access to care at the Wasilla clinic, some security concerns there, and access to urological services at that Alaska VA.

While the challenges faced by Alaska veterans are unique, there is some common ground where you might find some of these problems anywhere where doctors are scarce and distances are long. It can be awfully hard to find enough good providers in these areas.

It makes what you said today about the Veterans' Choice Act all the more important. There have to be effective community partnerships in those areas, because there simply are not otherwise enough doctors and nurses to go around.

The Mat-Su VA clinic is an example of what those challenges can be like. The clinic opened in March 2009, and the VA was able to find a physician to staff it within 6 months. It found a second physician in 2011 to come work for the clinic. That physician remained until 2012 before leaving. That left the single remaining provider with 1,700 veterans to care for in the Mat-Su clinic, and that was at least that many veterans.

As a result of that workload, the second provider left in May 2014. Between 2012 and 2014, there were 66 days in which there was no licensed independent practitioner at the clinic. It was left to nurses and other support personnel to attempt to care for the veteran needs at that clinic.

The VA took steps to try to correct this problem. They tried to get locum tenens providers, temporary providers. They tried to get other providers to come in. They tried recruitment and retention efforts, and they contracted with Southcentral Foundation, a non-profit native-owned health care organization.

But it takes time to transition patients into a practice. They have to be able to take care of the patients they are already taking care of. It took some time to do that.

This is about the impact of not having enough doctors and nurses in a clinic like that on care that is provided. That is what we looked at. We chose to look at 40 veterans who died between July 2013 and July 2014 while receiving care at that Mat-Su clinic. The reason we chose to look at those veterans is because we know that at the end of life in the months prior to death, that is when most people will consume most of the health care resources they consume during their entire lives.

We chose to look at the sickest veterans to better understand what was the care like that they were receiving and were they able to access that care. We found nine veterans who had difficulty in accessing that care. We found that that resulted in quality of care concerns for seven of those nine veterans.

As you said in your opening statement, sir, this is about the veterans, so we will share one story, although they are all detailed in the report, of a veteran that we described in that report.

This was a veteran in his 70s with a history of melanoma. He needed a follow-up every 6 months from his dermatologist. After his cancer was removed, he came back to the Mat-Su clinic about 6 months later with shoulder pain. His cancer had been in his shoulder. He was sent to an orthopedic doctor who diagnosed a mechanical problem with his shoulder and injected it.

A few weeks later, he called back, complaining of more shoulder pain. Again, there was not a follow-up appointment arranged with a dermatologist. He was instructed on how to take anti-inflammatories and other medications for his shoulder.

A few months later, he returned to the clinic again for lab work. No provider saw him at that time. It was around the time that the second provider left the Mat-Su clinic. Again, he was not given a follow-up appointment with a dermatologist.

One month later, he went to an emergency department and at that time was found to have metastatic cancer. He entered hospice and subsequently died.

When we see problems like this, we want to understand why they happen. One is that it is hard to find doctors for these areas. Two is, how does a system not know or not be aware that these kinds of things are going on?

We did identify in our report deficiencies in peer reviews, ongoing practice evaluations with physicians, and the flow of information to the leadership was impaired by cultural issues. If leadership is not receiving the honest, on-the-ground reports in an effective and timely manner, it impairs their ability to respond to crises like this.

In the end, we made nine recommendations for improvement. We recommend improvements in recruitment and retention, in contingency planning so that there are plans in place. We know that providers will leave from time to time. We know that there will be episodes of short staffing. Contingency planning for that is very important, so there are not those delays.

Care coordination, knowing how to coordinate care across the spectrum when you are dealing with specialists who are outside and inside the system.

Finally, peer reviews, provider evaluations, improvements in the culture, and committee reporting at the facility.

From our standpoint, our work is not done just because we made nine recommendations. We have just completed a combined assessment program review of the hospital, which is our program where we go out to all hospitals once every 3 years—I am sorry, not the hospital, the Anchorage community-based outpatient clinic (CBOC)—where we go out to all facilities like that once every 3 years to identify proactively any problems that might be occurring. We have planned follow-up work in the next 2 months in Fairbanks and in other areas in Alaska to address the ongoing and continuing care concerns that have surfaced with the Choice Act and other similar concerns.

In addition, we have ongoing work on the Veterans Choice Program. As you know, the statute required that the Office of Inspector General (OIG) do oversight work after 75 percent of funds had been expended for the Choice program. As you heard today, if folks are not getting into the program, then those funds are not going to be expended for a while. In addition to that, we have actually started work to begin review of implementation of the program from the perspective of determining if the VA staff know enough about the program so that they themselves can provide veterans the information they need to be able to help veterans access the services. We have that planned as well.

In the end, it serves us all well if the VA works well. We believe in the VA, just as the department and VHA does. We believe in its ability to provide unique services to the veterans.

We need to support that, and we look forward to continuing oversight and helping the VA to identify where the problems are so that those can be addressed in a timely fashion.

I am happy to answer any questions.

[The prepared statement of Dr. Buck follows:]

PREPARED STATEMENT OF ANDREA C. BUCK, M.D., CHIEF OF STAFF FOR HEALTHCARE OVERSIGHT INTEGRATION, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman and Members of the Committee, Thank you for the opportunity to testify before the Committee today on veterans' access to care in Alaska and our recent report, *Scheduling, Staffing, and Quality of Care Concerns at the Alaska VA Healthcare System, Anchorage, Alaska*, which highlights the challenges some veterans have faced in receiving timely access to care in Alaska.¹ I am accompanied by Ms. Sami O'Neill, Director of the Seattle, Washington, Office of Healthcare Inspections.

BACKGROUND

Alaska has a chronic shortage of physician providers, ranking 17th lowest in the Nation in its physician-to-population ratio, with 2.05 doctors per thousand residents compared to the national average of 2.38 per thousand. Further, it is one of six states without an independent in-state medical school. Thus, it funds 20 state-supported "seats" at the University of Washington's medical school. By 2025, some estimates are that Alaska will need nearly twice as many physicians as practiced in the State in 2004. This estimate translates to potentially needing an estimated 1,347 physicians within the next 10 years.²

VA as well as private health care systems will be affected by this shortage. The Alaska VA Healthcare System (VAHCS) serves veterans throughout the State of Alaska and is part of Veterans Integrated Service Network 20. Primary, specialty, and mental health outpatient care is provided by the parent outpatient clinic located in Anchorage; at community based outpatient clinics (CBOCs) in Fairbanks, Kenai, and Wasilla; and at an Outreach Clinic in Juneau. Inpatient services are provided through fee basis arrangements with community hospitals and a joint venture (JV) with Department of Defense Joint Base Elmendorf-Richardson, located adjacent to the parent outpatient clinic in Anchorage.³

PRIOR REVIEWS RELATED TO ACCESS TO HEALTH CARE IN ALASKA

The OIG has reviewed challenges faced by Alaska veterans in accessing this health care network in two previous reports. In 2005, the OIG published the report *Healthcare Inspection—Surgical Service Issues, Alaska VA Healthcare System*, which examined timely access to VA patients' surgical needs.⁴ The OIG found that VA patients' surgical needs were not being effectively met by the JV hospital arrangement with Joint Base Elmendorf-Richardson, particularly for patients awaiting orthopedic surgery. Our report also substantiated lack of compliance with Veterans Health Administration (VHA) directives and The Joint Commission (JC) standards requiring the Chief of Surgical Services to be a physician (this position was being filled by a Physician Assistant). The OIG received documentation that the facility had implemented recommendations from this 2005 report and closed those recommendations in November 2005.

Then, in 2010, the OIG conducted a review of patient referrals and transfers from the VA system in Anchorage to VA specialty care providers outside of Alaska and published the report *Healthcare Inspection—Review of Patient Referrals to Lower 48*

¹ <http://www.va.gov/oig/pubs/VAOIG-14-04077-405.pdf>, published July 7, 2015.

² *Adequate Number of Physicians for Alaska's Needs: Report of the Alaska Physician Supply Task Force*, April 2006.

³ "Fee-based care" is a term that refers to purchasing health care outside the VA system. This term has been replaced by non-VA medical care or purchased care. When this care is obtained through a provider placing a consult, it is called a Non-VA Care Consult.

⁴ <http://www.va.gov/oig/54/reports/VAOIG-05-02527-205.pdf>, published September 20, 2005.

*States at the Alaska VA Healthcare System, Anchorage, AK.*⁵ The vast majority (96 percent) of patients were able to receive health care directly through the Alaska VAHCS or indirectly through Department of Defense JV agreements and community-contracted and fee-based services in Alaska. Approximately four percent of patients received specialty care outside of Alaska, primarily for orthopedic, neurosurgery, neurology, oncology, and cardiology specialty care services. The OIG made no recommendations.

VHA has also reviewed veterans' access to health care in Alaska. In response to our oversight reports addressing serious scheduling and access to care issues at the Phoenix VA Health Care System, VHA conducted a system-wide audit of scheduling and access management practices; this audit included the Alaska VAHCS in Anchorage. Of the 216 sites visited in VHA's Phase One Access Audit, 81 (37 percent) were identified as needing further review; the Alaska VAHCS was not one of the sites identified as needing further review. VHA reported as of May 15, 2014, the Alaska VAHCS reported scheduling 91 percent of appointments in 30 days or less. Also according to VHA, as of December 5, 2014, the Alaska VAHCS was able to schedule 99 percent of appointments in 30 days or less. We did not independently verify the results of VHA's work.

OIG 2014 ALASKA VAHCS INSPECTION

While the Alaska VAHCS as a whole reported overall good access to care, our recent inspection revealed that there were significant access to care problems at the Mat-Su clinic in Wasilla, Alaska. The OIG conducted the inspection in August 2014 at the request of Senator Lisa Murkowski to assess the merit of the following allegations:

- The Mat-Su clinic in Wasilla, Alaska, did not have adequate staffing or security.
- The lack of staffing led to poor access to care and poor quality of care for Wasilla veterans.
- The Alaska VAHCS had engaged in improper scheduling practices and failed to provide follow-up care for veterans after the Alaska VAHCS's only urologist left.

Inspection Results

OIG's inspection results are described below:

Allegation: The Mat-Su clinic in Wasilla, Alaska, did not have adequate staffing or security—The Mat-Su VA clinic opened in March 2009. VA successfully recruited a physician to staff the clinic within 6 months. VA hired a second physician in April 2011, but the second physician left a year later, leaving only one doctor to care for 1,700 patients. VA policy recommends that a primary care provider should not be responsible for more than 1,200 patients. The second physician, citing excessive workload, left the Mat-Su clinic in May 2014. Between 2012 and 2014, the clinic was open 66 days without a licensed independent practitioner onsite. The nurses, medical assistants, and other staff were left to care for patients with only intermittent back-up from Anchorage providers, locum tenens physicians, and contractors.⁶ VA took steps to obtain care for these patients at the Southcentral Foundation, an Alaska Native-owned non-profit community health organization, but the delays in obtaining that care left veterans without consistent care during the transition. In short, we substantiated that the Mat-Su clinic in Wasilla did not have adequate staffing. VA policy requires facilities to maintain contingency plans for providing continuity of care during periods of understaffing or limited resources. The Anchorage VAHCS had no such plans in place. However, we did determine that security procedures at the Mat-Su clinic complied with VA policy.

Allegation: The lack of staffing led to poor access to care and poor quality of care for Wasilla veterans—To determine the impact of inadequate staffing on patient care, we reviewed the care of all patients assigned to the Mat-Su clinic who died between July 24, 2013, and July 31, 2014.⁷ We determined that 40 patients assigned to the Mat-Su clinic died during this time interval. Of those patients, we found that

⁵ <http://www.va.gov/oig/54/reports/VAOIG-10-01509-241.pdf>, published September 9, 2010.

⁶ *Locum tenens* is a Latin phrase that means "to hold the place of, to substitute for." *Locum tenens* staffing began in the early 1970s with a Federal grant to provide physician staffing services to rural health clinics in medically under-served areas of the western United States. The program proved so successful that today *locum tenens* companies provide physician staffing services for hospitals, outpatient medical centers, government and military facilities, group practices, community health centers and correctional facilities. <http://www.locumtenens.com/about/locum-tenens.aspx>. Accessed August 19, 2015.

⁷ We selected this date range for review because it began exactly 1 year after the first provider left, allowing us to assess the impact of the clinic's understaffing through the departure of both the first and second providers at the clinic.

nine received poor access to care. We further determined that this poor access to care resulted in poor quality of care for seven of those nine patients. All nine patients are described in the report. For purposes of our testimony today, I highlight one of those cases.

This veteran, referred to as Patient 8 in the report, was in his 70s. He had a history of malignant melanoma on his shoulder. He had surgery to remove the cancer and had a teledermatology appointment in spring of 2013 for follow-up care. The dermatologist recommended that he be seen every 6 months for his condition. In fall of 2013, he went to the Mat-Su clinic complaining of shoulder pain. The Mat-Su provider did not consult the dermatologist for follow-up care, but instead sent him to an orthopedic surgeon. The orthopedic surgeon gave him a steroid injection.

A few weeks later, the veteran called the Mat-Su clinic complaining of continued shoulder pain. He received instructions on how to take anti-inflammatory medications. He returned to the clinic in spring of 2014, about 6 months later, for routine bloodwork. He still had not received a follow-up appointment with a dermatologist.

One month later, he presented to a non-VA emergency department with complaints of ongoing, worsening shoulder pain. The emergency department physician, worried about a recurrence of his cancer, ordered a chest CT scan.⁸ This scan identified multiple lesions throughout the chest. The patient was diagnosed with metastatic melanoma, admitted to hospice, and died a few weeks later.

If this veteran had received regular follow-up care from a dermatologist or his primary care physician, the recurrence of his cancer may have been discovered earlier. Early detection increases the chances for successful treatment, however, there are many significant factors beyond early diagnosis and treatment that impact oncology patient outcomes. As a result, we cannot say with certainty whether earlier detection alone would have extended his life without question.

During the course of our review, we identified multiple deficiencies in the Alaska VAHCS that hampered the ability of system leaders to respond to the ongoing access to care challenges at the Mat-Su clinic in a timely and effective way. We found gaps in the reporting of peer review results to system leadership, and in the ongoing professional practice evaluations of medical staff. For example, VA policy requires that the practice of all physicians be reviewed every 6 months to ensure ongoing competency. The results of these reviews must be reported to and approved by certain medical center committees. Our review determined this was not being done regularly. We further found deficiencies in the reporting of information to the Alaska VAHCS's leadership, in part because of a culture of distrust between management at the Anchorage facility and staff at the Mat-Su clinic. Patient care was compromised by a lack of communication, care coordination, and follow-up in addition to outright delays in the provision of care.

Allegation: The Alaska VAHCS had engaged in improper scheduling practices and failed to provide follow-up care for veterans after the Alaska VAHCS's only urologist left—We also substantiated that the Alaska VAHCS had inappropriate scheduling practices, but determined these practices had been discontinued in 2009. We further found that the Alaska VAHCS did not ensure appropriate follow-up care for one patient following the departure of the Alaska VAHCS's only urologist in September 2008. In addition, we reviewed consult data for the quarter immediately following the urologist's departure. During this timeframe (October 1—December 31, 2008), 123 consults were completed. 39 were completed in less than 30 days; 50 were completed in 30–60 days; and 34 took longer than 60 days to be completed.

In sum, we made nine recommendations for improvement addressing access to care, lack of staffing, and management issues in the Alaska VAHCS. The Veterans Integrated Service Network and System Directors concurred with our recommendations and provided an acceptable action plan.

OTHER OIG INITIATIVES REGARDING ALASKA OR ACCESS TO HEALTH CARE

The OIG has several oversight projects planned or underway that focus on the Alaska VAHCS and/or issues related to veterans' access to health care. Just this month, the Office of Healthcare Inspections (OHI) conducted a Combined Assessment Program (CAP) review of the Alaska VAHCS as well as a CBOC review in Fairbanks. CAP and CBOC reviews evaluate selected health care facility operations and patient care activities at VA facilities on a cyclical basis. We are in the process of analyzing the data, and we expect to issue our reports in the next 3 months. In addition, we are returning to assess access issues at other locations in the Alaska VAHCS next month.

⁸ A computed tomography (CT) scan is an imaging method that uses a series of computer-processed x-rays to create pictures of cross-sections of the body.

The Office of Healthcare Inspections has also reviewed staffing shortages nationwide as required by the Veterans Access, Choice, and Accountability Act of 2014. The first report, published in January of this year, ranked the physician occupation as the occupation with the largest staffing shortage in VHA.⁹ The second report will be published by September 30, 2015, ranked the physician occupation as the occupation of most critical need in VHA.

Other components of the OIG are commencing work on the Veterans Choice Program. In August 2015, the Office of Audits and Evaluations began a review of VHA's implementation of this program. The objective of the review is to determine whether VHA staff have sufficient knowledge of the Veterans Choice Program to inform veterans of their non-VA care options. We plan on publishing a report of our findings and recommendations in early 2016. This is in addition to the requirement in the Veterans Access, Choice, and Accountability Act of 2014 for the OIG to provide a report on the timeliness and accuracy of payments once 75 percent of the funds have been expended.

CONCLUSION

Meeting the health care needs of Alaska veterans must remain one of VA's highest health care priorities. Although factors related to Alaska's location and geography pose challenges to providing health care services, the Alaska VAHCS must work to address the issues we have identified to ensure all of Alaska's veterans have access to timely and high quality health care. We look forward to continuing our oversight work of these important issues. Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Committee may have, and to working with you in the future on these challenging issues.

The CHAIRMAN. Thank you, Dr. Buck. I think we can all learn a lot from your IG report, the fact that we literally had a veteran die, at least one, in Alaska, because of our inability to manage what we are supposed to be doing. It is something that is obviously unacceptable and something that we have to focus on. This clinic in the Mat-Su, we need all the brainpower in the VA, and if you need authorities or ideas or you need help from Congress, I am all ears. We have to get physicians back to one of the most important parts of our entire State, where there are thousands of patriotic veterans who are not getting the care they need, even though there is a facility there and willing partners, as we talked about.

I appreciate your testimony. I am just sickened by the outcome. We have to commit to make sure that that never happens again in our State.

Mr. McIntyre.

STATEMENT OF DAVID MCINTYRE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, TRIWEST HEALTHCARE

Mr. MCINTYRE. Good evening, Mr. Chairman. I want to thank you and the Senate Veterans' Affairs Committee for the invitation to appear before you as part of this important hearing on how we achieve the right paradigm of delivering care closer to home for veterans here in the great State of Alaska. I am honored to be part of the panel, and I ask that my entire written testimony be accepted into the record.

The CHAIRMAN. Without objection.

Mr. MCINTYRE. Thank you, sir.

No one is more frustrated and tortured than me at what I heard. We have spent millions as a company trying to get this right. The bottom line is that we built out a network in this State, now 1,200

⁹ *OIG Determination of Veterans Health Administration's Occupational Staffing Shortages*, published January 30, 2015, <http://www.va.gov/oig/pubs/VAOIG-15-00430-103.pdf>.

providers and 28 facilities that we ask to lean forward. We got a law that was not ready for certain pieces of implementation, from a funding and requirements perspective. You all have been able to address those issues and fix those recently in the stuff that was attached to the highway bill, and that is most appreciated.

As was articulated previously, when we started up the Choice Act, the funds quickly got to a place where the direction was given that the only money that can be spent comes out of Choice. The DOD facilities were not ready, the infrastructure was not in place to make that move, and the same thing was true on the tribal care perspective.

The challenges in terms of the delivery of service absolutely no question have been difficult. We started in a place where we had no idea what demand was going to look like. We are now at 50,000 appointment requests a month. Eight weeks ago, we were at 35,000.

The CHAIRMAN. For what region?

Mr. MCINTYRE. For 28 States, the Pacific, including Alaska.

We are now at 50,000 appointment requests a month. We have a network outside of Alaska, including Alaska, of 125,000 providers. A year ago, we were at 40,000. We were at 400 staff in March. We are at 1,600 staff as of last Friday. We are headed to 2,500 staff by the end of November.

None of us understood what demand was going to look like. Being able to map this network to make sure that it works is critical. Then being able to match supply of staff to handle demand is critical.

I would say, from my personal perspective, as someone who proudly has had a very long association with this great State—my dad was the first ophthalmologist to ever spend time in Alaska. I grew up in Seattle. I served on the Indian Affairs Committee as a staffer in the Senate. I am responsible for the 638 authority as a staffer that allowed the native corporations to do the amazing work that they have done to run their own delivery system rather than the Indian Health Service. No one wants to dislodge that. It is not the right answer.

What I have heard pains me. It pains everybody in this audience. The fact of the matter is that we are getting prepared to take all the ZIP Codes for Alaska and point them at Puyallup in the next week, so that nothing will be touched anywhere outside of the Northwest, which is the referral pattern, if the care cannot be delivered in Alaska.

The challenge is, when you have the kind of growth that we have experienced, you have to be able to build it out. We have done that in weeks, not in months, in weeks. The challenge is getting people trained, getting them properly and effectively where they need to be at the end of the day in order to make this work.

When Choice was enacted, the Choice law carried with it at the time a limitation on what reimbursement rates would look like capped at 100 percent of Medicare. That does not work in this State. That has now been adjusted. That has now been taken care of. We now have great providers in the State that are saying we will lean forward.

At the end of the day, I support the VA. My job, my company's job that I am privileged to run—I do not own. I built this 20 years ago. We proudly serve Alaskans at the side of the Defense Department. Our job is to make sure that when the VA cannot do the work directly that we are there for them. We have work to do. We have work to do to get this right. We appreciate the partnership with Congress. We appreciate the changes that have been made thus far. We still have work to be done between us, the VA, and Congress to get the Choice Act where all the component parts are going to work effectively.

I am responsible and will be accountable for the service delivery of our organization. As I have heard tonight, it is not where it needs to be.

Then I run into others who say they had an amazing experience, so it is a blend. You do not want the blend. You want everything to be to the right. You want it to work properly.

I listened with interest to Dr. Shulkin, a person who stepped up into this job and said I am here because I want to be part of the solution, I want to help make this work. What I will tell you is we will follow what the VA and what Congress decide the State needs to look like in Alaska. We are going to stand and wait until that decision is made because we spent a lot of money trying to get this right—it is our own money; it is not the government's money—trying to make sure that we can get the infrastructure build out to be able to respond.

We stand ready to do our part. We will be accountable for the lack of service where it has existed, and we look forward to the continued work with the VA and Congress to make sure that this program, both in Alaska in whatever form it is going to take and in the lower 48 and the Pacific, rises to the occasion.

Mr. Chairman, thank you for allowing me to testify.

[The prepared statement of Mr. McIntyre follows:]

PREPARED STATEMENT OF MR. DAVID J. MCINTYRE, JR., PRESIDENT AND CEO,
TRIWEST HEALTHCARE ALLIANCE

GOOD AFTERNOON MR. CHAIRMAN, First, I want to thank the Committee for the invitation to appear before you today in Eagle River, Alaska. And I am particularly pleased to be here with VA's Under Secretary for Health, Dr. Shulken. I hope it will become obvious quickly how closely together our two organizations are working every day to improve access to care for Veterans here in Alaska and across the vast territory in which we are privileged to serve at VA's side.

I know you've called this hearing to receive answers related to several challenges here in Alaska for Veterans who are attempting to access care from community providers, including through the Veterans Choice Program. I hope my testimony can provide some answers to your questions.

I have had a long and proud personal association with the health care community of this amazing state going all the way back to when my father, an ophthalmologist, used to ride the circuit every other month for many years of my childhood delivering care to those who were underserved across Southeast Alaska. Decades later, TriWest Healthcare Alliance, the company I helped found, and have been privileged to lead for nearly 20 years, delivered the TRICARE program here in Alaska. And now I am proud to partner with VA in their efforts to increase access to care from local providers in this great state * * * the Last Frontier!

Mr. Chairman, at the outset, I think it is fair to say that the implementation of the Choice program in Alaska has not gone as well as anyone would have liked. And, I want to personally commit to you; the Veterans of this State; the medical community; and of course those of whom we work at the side of in VA, that we will work tirelessly to correct whatever deficiencies we might have. In fact, as I will discuss a little later in my testimony, we have already begun that work. More impor-

tantly, we are committed not just to correcting deficiencies, but in fact, improving the experience of the Veterans in need of care, as well as the providers in the community who deliver those services in Alaska if that be the desire.

Mr. Chairman, before describing some of our challenges, our plans for fixing them, and discussing some programmatic challenges that I hope your committee will consider, I'd like to take a moment and go back to the time before the Choice program to discuss the progress we were making in Alaska in administering the Patient Centered Community Care (PC3), program.

As I mentioned earlier, TriWest previously worked in Alaska managing the TRICARE program. We were well-aware that building a network to replace what VA had been doing under the traditional fee program would take time, collaboration with VA, and would require us to patiently engage the provider community to ensure everyone understood our responsibilities and our goals. After all, many of these providers had been serving Veterans in some fashion for many years and it was important to all of us that they continued to do so. This was especially true in those locations off the road system.

Our approach, which we developed in collaboration with the Alaska VA Medical Center Director, with the support of your Senate colleague, Lisa Murkowski, was to start in Anchorage and Fairbanks, where, as you know, a substantial portion of specialty care is provided. Then, once we established good processes and relationships for those services and we were accepted as a reliable partner, we could turn our attention to the more rural providers in the bush areas of Alaska to fully transition the community care work to the PC3 program.

Additionally, we were highly sensitive to the relationships VA had already established with the Tribal Health System * * * facilities and providers that are a part of the Alaska Native Health Consortium. We understood there were both Alaskan Native and non-Alaskan Native Veterans able to access those facilities under Memorandums of Agreements established between VA and 26 of the 27 tribes in Alaska. We briefly discussed whether non-Alaskan Native Veterans could be transitioned to the PC3 program. But, just as quickly, we discovered the payment structure looked nothing like the contract we have with VA and all parties were satisfied with the current arrangement. As such, we simply left it alone.

While the volume of work coming through the PC3 program initially was not large, that was a good thing. It allowed us the time to focus on establishing trust and explaining the new program. Frankly, I believe our plan was working reasonably well. We had regular consultation with VA in Alaska where we discussed the needs for care in the community, our network, where it was in need of growth, and whether that growth was possible. Like all new programs, we had hiccups and gaps, but we were working together to iron them out.

An example of this close coordination was the need for Veteran access to primary care across the state. We worked closely with the Alaska Primary Care Association (APCA) to determine their ability to support the primary care needs of the Alaska VA. This coordination resulted in a three phased agreement between TriWest and APCA. The first phase, initiated in the early summer months, was to survey the 14 non-tribal APCA federally qualified health clinics (FQHCs) to determine their interest in signing Choice Provider Agreements. The second phase involved signing those interested FQHCs to negotiated Choice Provider Agreements with a third phase following to convert those same facilities to PC3 network status. I am pleased to report today we have recently been contacted by APCA and all 14 of the original FQHCs and a newly awarded FQHC, will be signing Choice Agreements. At present, 6 of the 15 agreements have been signed and returned to TriWest; we believe the remainder of the agreements will be completed before the end of August. The Alaska VA has favorably commented on the new access to care for non-Native Veterans in rural locations of the state.

I think it is also important to note that the rate structure under the PC3 program generally allowed TriWest to pay competitive, market rates to providers in the community. Typically, we offered providers an amount in excess of 100% of the Medicare schedule in Alaska, but we also had the flexibility and responsibility to ensure we did not pay more than was needed to acquire the services. After all, we are spending taxpayer dollars. We fully launched the PC3 program in Alaska in April 2014.

Shortly thereafter, a few thousand miles away, as we all know, issues concerning wait times came to the forefront at the Phoenix VA Medical Center. And, a few months later, in August 2014, Congress passed the Veterans Access, Choice, and Accountability Act (VACAA), which created the Veterans Choice Program. Only 90 days later, VA modified our PC3 contract and added the responsibility to administer the Choice program to it. Unfortunately, I think our collective challenges began at

this time * * * given a 30 day window to design and implement a massive and complicated new program.

Mr. Chairman, I think it is important to discuss some of the programmatic and statutory challenges the new Choice program faced when we first got the modification. But, I do not want to sit before this Committee and simply suggest that the challenges are someone else's fault. TriWest bears responsibility for some of the challenges in execution of the new program and I'd like to discuss our shortcomings right up front.

First, the call center experience for Veterans who reached one of the 800 staff that had to be hired in 10 days to stand up the program in the timeframe mandated in the law, to seek assistance accessing their care has been inconsistent at best, and flat out unacceptable at worst. It will never be acceptable to me or my company to provide a customer experience that has Veterans waiting on hold for extended periods of time only to be told—incorrectly—that they are not eligible for care under the program.

Additionally, I know it goes without saying in this room, but Alaska has an incredibly unique and complex geography. But, we knew that. We had served in this state before and it was our job to accommodate for that. You should have expected us to know that while it may be true that the closest specialist available to treat a Veteran in Barrow may be in Fairbanks, that doesn't mean that Veteran can drive there tomorrow for the appointment. You should know that we have taken steps to correct this deficiency and ensure that our staff who interact with Alaskan Veterans understand Alaska.

I have stated in the past * * * on the record before this Committee in Washington DC * * * that we have experienced our fair share of training challenges. Certainly some of those challenges stem from the incredibly quick implementation timelines for the Choice program, and others from the sheer number of changes that have occurred to it, in Alaska alone, since we went live less than 8 months ago. But, some of the training challenges rest solely with us.

To fix the problems with the customer experience I have just outlined, we have taken a number of steps over the past several months. First, I instructed our team to designate our call center in Puyallup, Washington, just outside of Tacoma, as the primary call center that will serve Alaska's Veterans. Anytime a Veteran enters an Alaska zip code when calling the Choice Line, it should first be routed to Puyallup. It should have been obvious to me from the start that we needed a special cell of employees to handle the care needs of Alaska Veterans. We now have that.

We have also updated our training and oversight efforts to ensure the right employees stay on the phones working with our customers while those who need additional training can get it. If it is simply the case that some staff can better serve the company and our Veterans in a non-customer-facing position, then that is where they serve. It took us some time to effectively project the demand and then select the right staff in sufficient supply to meet that demand and allow others to move to non-customer-facing work.

Finally, some of the hold times for Veterans in Alaska and around the country are higher than we would like given the fact that supply of staff has been chasing the incredible growth we have seen in referrals to the Choice program since early June. Just two months ago, TriWest was receiving somewhere between 400–500 Choice authorizations per day or a total of about 10,000 per month. Today, we receive upwards of 2,500 authorizations per day, or the equivalent of 50,000 per month.

However, in an effort to keep up with the extensive growth, we have had a massive hiring effort underway * * * and are adding new staff every week, and will ultimately have somewhere around 2,500 staff by November. In fact, we have already expanded our contact centers in Puyallup and Phoenix. We have stood one up in Honolulu to serve the Pacific and Tempe to further serve the greater Phoenix area. Employees are coming on board with the centers soon to open in San Diego and Kansas City. We are executing leases for centers in Sacramento and New Orleans. We are searching for space in Texas. And, I just came from Nashville, where we announced on Friday that we are hiring several hundred staff as we prepare to open that site in October. This scale will be fully operational by the end of the year.

My expectation is that in the next month or so, once more of these new staff are online, we will be able to fully handle demand and ensure that our special Alaska cell in Washington State is available on a more routine basis to take the Alaska cases and ensure we deliver that consistent, high-quality experience Veterans have earned.

Of course, I have been pretty upfront about the fact that some of the challenges in Alaska have been outside of our control.

First and foremost of these issues was the rate structure initially required by the VACAA legislation. As you likely know, when that bill first passed, it required that all care be reimbursed at rates up to, but not to exceed 100% of Medicare. There was some flexibility given for highly rural areas. But, even if the highly rural allowance could have solved for some areas of Alaska (which it would not have), the bulk of the care is provided in Anchorage and Fairbanks, not highly rural areas. As I mentioned previously in my testimony, we knew from our TRICARE and PC3 program experience, that obtaining most professional services in Alaska at 100% of Medicare is simply not possible. Moreover, we refused to modify our contract to suggest we would even try.

You see, our fear was that if we started attempting to push care through the Choice program into the community at rates far below the market requirement, we could forever damage ours and VA's ability to turn again to the provider community with a Veteran in need of care. In short, we believed that would have been explosive.

To VA's credit, their officials also understood the dilemma and worked with the Hill to get some relief for the rate structure in Alaska. That change, however, took time and it did not pass Congress until sometime in December 2014 as part of H.R. 83, the Omnibus Appropriations Act.

Meanwhile, Veterans in Alaska were receiving their Choice Cards in the mail as required by our contract and expected by Congress. Those cards came with a letter that told Alaska's Veterans that they had eligibility for care that exempted them from having to go to the VA medical center before receiving care in the community. As you know, that so called 40-mile eligibility is based on the fact that the state does not have a full service VA medical facility. Only Hawaii, Alaska and Guam in our geographic area of operations have Veterans with such eligibility. This simple fact in and of itself created some training challenges for both VA and my team at TriWest.

Further, that unique eligibility was now running headlong into a system where we could not appoint Veterans in the community due to the rate challenges I noted above. And, of course, this was all occurring before I made the decision to create the special cell of staff to serve Alaska's Veterans I noted above. The net result was a poor customer and provider experience in the State. Unfortunately, two additional issues would be overlaid on these initial startup challenges.

The new challenge after startup came in the form of the modification to our contract to update the rate structure so that we could begin to engage providers at a rate more attuned to the market. The problem with the new modification was that it would have required us to pay a substantial portion of providers at rates far in excess of what their market rate in Alaska would demand. We simply had no flexibility to do otherwise.

Unfortunately, just like an artificially low rate could have caused damage in the community, so too an unreasonable high rate, unintentionally required by the VA contract, could have substantially distorted potentially all health care rates in Alaska, making VA the leading payor for many services. I am sorry to say that it took us until the end of February to work through those challenge and ultimately settle on the fact that we would pay providers who engaged with us only for the Choice program (as opposed to a full network arrangement under PC3) at the same rates as VA paid under its Alaska VA Fee Schedule—a rate unique to Alaska.

Having gotten past that point, we believed we had settled back into a structure through which we could work with providers in the community.

In June of this year, we heard the news that VA in Alaska was telling providers that it could no longer spend money through its traditional Fee Basis budget and that all care was to come through the Choice program. We had heard the testimony from the Deputy Secretary, but did not initially compute what that would mean in Alaska.

I mentioned we were confident we had finally settled on a workable structure for most care. However, I also mentioned at the outset of my testimony, we were determined not to interfere in the relationships between the Tribal Health System and the Alaska VA Healthcare System. We came to understand those services were all reimbursed with Fee Basis or what is also called non-VA care funding. As you know, the idea that we would now be a party to those arrangements did not sit well with the Native Corporations, VA, or frankly with us.

As you know Mr. Chairman, the Tribal Health System challenge has too been resolved through a lot of conversation, hard work, and certainly some criticism. However, the accumulation of all the challenges I have mentioned has no doubt left a lasting, and unfavorable impression in the community with respect to the Choice program in Alaska. Yet, I think most of people here today believe that more options for Veterans and more coordination with the private sector is truly the long term

answer to care for Veterans in Alaska. So that question is how do we get better and achieve that outcome.

For our part, I mentioned some of things we are doing to improve the customer experience in my testimony earlier. But I do want to mention another initiative that we are collaboratively exploring with VA and we are willing to undertake it if everyone agrees it is the right next step.

We know from our work during the TRICARE program that having staff on the ground in Alaska can go a long way toward making the use of the program a more seamless experience. Those TriWest staff got to know the government staff, the beneficiaries, and also the providers in the community. All of that helped speed the process of getting care provided in a timely manner downtown. We have that opportunity again.

A few months ago, we had preliminary discussions with the VA in Alaska to determine whether housing some staff in their facility in Anchorage would be welcome. Their preliminary feedback is that it would be welcome and would help with the processes necessary to providing care in the community. We have developed a template for placing those staff here. But, we want to make sure we are back on sound footing here in the state before we hire and place that team.

In the short run, TriWest staff working every day alongside their VA colleagues will identify process challenges quickly and implement solutions even faster. That structure will provide care authorized in a more timely manner and ensure better daily coordination at a personal level instead of faxes, phones, internet portals and emails.

In the long run, it is my hope that we can reach a point where we have a strong cadre of trusted providers in the community and, just as with the TRICARE program, we can begin to rely on those providers to make health care recommendations and trust them to carry out that care without intervening, artificial processes adding unnecessary administrative burden to providers.

Today, as you know, most recommendations for standard care practices require additional review and authorization either by TriWest or VA. Those processes are frustrating to providers and to Veterans, delay care, and ultimately impact the cost and quality of the program. It is our hope that one day we might get to a position where providers are able to efficiently provide care to Veterans in an accepted standard of practice. Alaska may prove an ideal place to prototype how that system might work across the VA enterprise.

Finally, Mr. Chairman, I want to go back and emphasize that one of the most important things that can help all of us get back on sound footing here in Alaska, once and for all, is decide on a rate structure we can use that will pay providers what their market rate demands, while still ensuring we can continue to be good stewards of the taxpayers' dollars. We know that is a complicated endeavor. But, without it, instability will continue.

Mr. Chairman, I hope my testimony here has provided some useful information as well as context for some of the challenges the Veterans of this state have experienced. But, I also hope it has convinced you that the company I am proud to lead considers it an honor and privilege to work every day to provide access to care for those who have served this Nation in uniform. It is an awesome responsibility and our owners, and all of my colleagues in leadership take it very seriously.

Thank you again Mr. Chairman for this opportunity. I look forward to answering any questions you might have.

The CHAIRMAN. Thank you, Mr. McIntyre.

Listen, a lot of times in a hearing like this, particularly given the issues, particularly given the outrage—Dr. Shulkin, you saw it. With all due respect, Mr. McIntyre, we spent the last 2 days talking to hundreds of veterans, and I do not think I heard anyone who said they had an amazing experience under TriWest. Certainly, the phone ringing off the hook in my office is not indicative of people having an amazing experience.

On a hearing like this, and you have seen them, you have all been in front of panels like this, this is sometimes the part where the questioner gets a little upset because there is a lot to be upset about here, whether it is dead veterans in Alaska because of wait times, whether it is literally thousands of Alaska's finest not getting the service they earned.

I am kind of wavering between that element of frustration and anger, and focusing on the questions on how we fix this. That is what this is all about.

Let me start by asking a couple of questions.

The issue of local control came up in literally every single one of our meetings and engagements. Again, the VA was not perfect here, but I think given the local control aspects, it was viewed by most as working relatively well.

When I read the Choice Act, it does not mandate a third-party administrator to come in and add a brand-new layer of bureaucracy to the whole system, particularly for our State bureaucracy that seems very distant, very unaccountable, very clueless with regard to Alaska, particularly when it has call centers based in Texas and Louisiana and in places like that.

Why did we put appointments and authorizations under the new layer of bureaucracy by TriWest when the act does not even mandate that? Why did we do that? It is one thing if you read the law and it says you have to go to that. OK, well then, Congress, you have to go fix that. But there is nothing in the law that mandates this new layer of bureaucracy, taking the local control away, taking the Integrated Care workers who are doing such a good job, putting it in TriWest. Then you are seeing not only a new layer of bureaucracy but this huge issue of the lack of communication between anyone in the VA and TriWest.

It is the theme that we are hearing over and over again. Why did we do that? I am baffled.

Dr. SHULKIN. Senator, I think you have gotten to the crux of the matter. I was not here, so I do not know why it happened that way, but it does not matter because what we heard over the last couple days is that we cannot let this continue. It is not working.

What I think, rather than responding defensively or getting angry about this, because I can get angry about it too, I want to focus on the solution. What I am hearing Mr. McIntyre say is that he has personally committed and his company has committed to fixing this.

The way that we would fix this is by us redesigning this so that it goes back into the hands of the local VA providers here in Alaska who have worked with our community partners for years and years, and have worked with our veterans overwhelmingly in a positive way. We heard that consistently.

The CHAIRMAN. Correct. I would agree with that.

Dr. SHULKIN. Therefore, this really needs to be the VA and TriWest sitting down and redesigning the system. I believe I am hearing that commitment from Mr. McIntyre to make this work for our veterans.

The CHAIRMAN. Mr. McIntyre, can you address Dr. Shulkin's comment, but also my question on the reason it happened in the first place?

Mr. MCINTYRE. I would absolutely respond to both.

As I indicated, I certainly am willing to follow the lead of Dr. Shulkin. I appreciate him stepping up.

It seems to me that the future of Alaska is really in the hands of the VA and Congress. You all need to decide and let us know what we should do.

What got implemented was also in the hands of Congress and at the time the VA. We all were given 30 days, practically, to implement a new law, not design a Web site and stand it up, implement an entirely brand-new program to respond to an access to care challenge that was articulated by Congress, and covered by the media and then responded to by Congress.

The law was passed in August, and everybody said November 5 is the deadline and you will not miss the deadline. That is what the VA was told. That is what we were told. That means, practically, once people were able to sort out what the law meant, there were about 30 days to go from a blank sheet of paper to full execution.

You have a lot of background. You know what the implications of that are. That is a very, very, very hard task. A lot of decisions had to be made by people who were trying to grapple with how we do that.

I think if people had been able to have a year to work through that, the outcome might have been very different in a lot of different ways. And none of us would be struggling with some of the pain that we had to hear about today. It is painful.

The CHAIRMAN. You were in Fairbanks. By the way, I appreciated you attending that session because, in addition to the panel you heard today, it was a litany. Dozens of people were upset and in pain.

Mr. MCINTYRE. Yes, sir.

The CHAIRMAN. TriWest was obviously dragged through the mud during a lot of that. That is why I appreciated you attending that and listening. I think it took a lot of guts. I appreciate you being willing to do that.

It is also good for you to guys to see—because it is one thing to read about it in a memo. It is quite another thing to see the veteran who is literally at the end of his rope because he waits on the phone for 4 hours and gets cutoff, never gets a call back. It takes him 6 weeks—6 weeks—to schedule an appointment.

Mr. MCINTYRE. I spend all of my time on those issues. I was there in Fairbanks because I wanted to be there to listen.

The CHAIRMAN. I appreciate that.

Mr. MCINTYRE. I have been home 1 day in 30, and I will be flying tonight to go to Oregon for meetings all day tomorrow.

Part of the reason for that is we all have work to do. We have work to do to try and refine the things that need to be refined.

The CHAIRMAN. Let me ask a question on the issue of refining. I am not sure I like that term. I mean, I do not know if we need to redraw this completely. Refining means tweak on the edges. I am not sure the system is even worth refining.

This is a question I have for the panelists. Do you agree that the aspects of Alaska—our size, our very large veteran population, our very rural communities, the fact that we only have five VA centers throughout the entire State—do you believe that we have unique challenges that are more unique probably than any other State in the United States?

Mr. MCINTYRE. There is no question. There is no question.

The CHAIRMAN. Do you agree with that, Dr. Shulkin?

Dr. SHULKIN. Yes, I do.

The CHAIRMAN. I was not there when the Choice Act was passed or implemented, or timelines, but there is no doubt that it is a one-size-fits-all piece of legislation.

Knowing what you know about Alaska, do we need to refine what is happening right now, because it is not working, or do we need to go back to the drawing board and look at what worked and redesign it from the ground up?

Dr. SHULKIN. Let me take that first.

I believe that we need to do several things that are unique for Alaska. One is we have to honor these agreements between DOD and the tribal health programs. There is no question about that. No one should have any doubt that we plan to do that.

Second, we need the flexibility to put the funds from Care in the Community, the Choice funds and the traditional Care in the Community together.

I understand the first panel's solutions, which is just get rid of Choice. The reason why I do not believe that is a good idea for Alaska is because we ran out of Care in the Community money in Alaska in June. That is when the pain started happening for veterans.

We need more money. Choice is the source of more money for Alaska. We need the flexibility to use Choice funds to support these relationships that exist today and other providers in the community, the specialists and other providers.

In some ways, it is a refinement, but it is a unique refinement for Alaska. Alaska is different, and we need to plan this differently because there are places in the country where Choice is working well, just not in Alaska and a few other places.

The CHAIRMAN. You both would agree that it is definitely not working well here?

Dr. SHULKIN. Absolutely. Not working well.

Mr. MCINTYRE. No question. I guess I would say that on my end, what will be happening is we are moving all the ZIP Codes for all the veterans in Alaska and pointing them at the contact center in Puyallup.

The CHAIRMAN. What does that mean?

Mr. MCINTYRE. That means that no one will ever get touched by anyone in Houston, anyone in Louisiana, anyone in New Orleans, anyone in Kansas City, anyone in Nashville, anyone in San Diego, anyone in Northern California, anyone in Phoenix.

The CHAIRMAN. Why wouldn't you have call centers here?

Mr. MCINTYRE. We are going to place a cell of staff here at the side of the VA staff that was designed several weeks ago between our staff and the VA staff to support what you are talking about. Then the apparatus that sits behind them will be a contact center.

The reason for that is as follows. We have to be able to flex, and we have to be able to flex based on the amount of work that comes in by location.

The second thing is that people talked about the fact that PC3 was working. Where were we serving those people? They were being served out of Puyallup, Washington, out of the cell of people that are responsible for making that piece work. We are going to draw from that.

The challenge we face, Senator—and I am not making excuses, believe me, I am not making excuses. The challenge we face is when 7 days before November 5 arrives, and you have to have 800 people accessible to do a service, you probably have to turn to a third party that can stand up 800 people in a cell nearly overnight. That is the decision that we made. We did not have a choice, given the timelines.

Our plan was to always figure out what scale was going to look like and then be able to move it so that it was VISN-centric. VISN 20 includes Alaska. VISN 20 is based out of the Puget Sound, out of Vancouver, Washington. It serves Oregon, Washington, Alaska.

The CHAIRMAN. Given the complexities here, given the unique challenges here, I think you should look hard at people on the deck in this State.

Mr. MCINTYRE. That is what we are going to do.

The CHAIRMAN. And call centers.

Let me address kind of a related point. It has come up in the hearing today, even Mr. Bowen, for goodness' sakes. Literally, the guy knows more about the VA, helping vets, probably than any Alaskan.

There is this idea, there is this problem that comes up, and it came up in a lot of our listening sessions, on the complexity. Secretary McDonald talked about, and I read it, a quote from him, 900 1–800 numbers, 14 different Web sites, the single point of contact for a veteran who might be suffering, all these Web sites have different passwords for access. The complexity of the ability to plug into the system seems enormous, and it seems to be ever-changing.

I think what happened with TriWest involvement in the Choice Act is that it just added another level of complexity. Literally, some of our veterans just start to give up. They throw their hands up, and they give up.

I know the Secretary is focused on this, but how can we get to this level of addressing the complexity and this broader issue of continuity of care, which, Dr. Shulkin, you saw came up in a lot of our listening sessions? That, again, points back to being local control, local control, local control. If we are being run by people in Texas or even Puget Sound or D.C., it is not good for my State.

Dr. SHULKIN. There is no question, Senator, that the size and complexity of the VA health system has created a fragmented system. The Secretary has identified as his number 1 initiative, something called My VA. My VA is a redesign based upon the veteran experience to simplify those 900 call centers to five regions in the country and ultimately to one call center. That will happen.

Fortunately for Alaska, the solution is simpler because as we heard over the past 2 days. What we heard from panel one was that they liked their old system. It was working for them. They liked their contact with the local VA providers.

What we want to do is to figure out a way to go back to that, where they work with a system that was working. That is their handoff. TriWest is helping get this done but in some ways in the background and letting the simple system that was working in Alaska continue to work.

The CHAIRMAN. Let me ask another question. It is a bit of a sidebar issue but just because I think every American, every Alaskan,

has had this experience with a credit agency riding them and threatening them and putting a black mark on their credit score and then they spend half their life trying to get rid of it. The idea that some of our veterans are getting tagged with \$30,000, \$40,000, \$50,000 hospital bills and have credit agencies riding them to me is unbelievable.

I know this was a new one to you, Dr. Shulkin and Mr. McIntyre. What can we do? Maybe you do not have an answer to this right now, but I would really like it if you could get back to me on this, if we need a law, if we need something.

The idea that some of our veterans are getting tagged with this financial responsibility that would crush most people anyway, and then have the stress of letters from credit agencies threatening to take them to court, it blows my mind.

Dr. SHULKIN. I think both of us, that is one of the things we learned by listening over these last couple days. It is unacceptable, if the VA authorizes payment for services, to put the veteran in the middle. That has to stop. I would ask, since I just learned about this yesterday with you, to take this back and get back to you with an answer. We cannot allow that to continue.

Commander Watts left his bills with us. We are going to track that down. This is just not right to do veterans.

The CHAIRMAN. Mr. McIntyre, do you have any thoughts on that one?

Mr. MCINTYRE. I totally agree. Under TRICARE, we were the fastest and most accurate payer. Right now, we are about 5 percent off of 30 days, in terms of paying claims. Yet, the providers have to understand the rules and everybody in the system has to understand the rules, so that you have proper alignment in how people get referred and they understand how that is all going to work.

On our end, we have a team of people in our company. They do not sit here but there will be people, depending on where Dr. Shulkin and Alaska team wants to go on the VA side, we will have people in Alaska who will be conduits for any of those issues that are problems.

We do have people who are there for the specific purpose of intervening to try to determine where the problem occurred and how it gets straightened out. People have to get paid for the care they render, and providers should not be pursuing veterans when otherwise the care has been paid for.

The CHAIRMAN. No, they should not.

Mr. MCINTYRE. Correct.

The CHAIRMAN. Let me go back. I just want a commitment, as we look at redesigning this, not tweaking it, but redesigning it, if you can take a look at—you are a private-sector business, and I respect that—but take a look at the potential for call centers here.

We are unique. Alaskans need people on the line that actually understand our uniqueness and our challenges. I would ask that you take a look at that, because of the sense of frustration that we have felt, that I have seen for weeks now of our veterans having to deal with people who are not from here and who don't call back.

Let me ask another question that relates to that. Is there work that has been going on to integrate the systems? I am talking about the computer systems and the appointment and authoriza-

tion systems between TriWest and the VA. Because once again, it looks like a theme here: how many times have we heard in the last 2 days that the right hand and left hand are not talking to each other? Probably five or six times.

Mr. MCINTYRE. To take your second question first, it became apparent when we got into this that the portal that is used for the purpose of work by VA staff was not meeting the needs and the requirements that existed when you had both Choice and PC3 running in parallel. We asked the VA staff that does that line work to sit down with us.

We re-architected that entire system: 6 weeks in design, 6 weeks in build, and fully deployed now. Now people are trying to go through the training to make sure that they know how it all works. Everything moves through that pipe to the doctor and back to the VA.

That pipe was designed for a specific purpose, to make sure that we were solving those problems. The last of the rollout of that across the 28 States and the Pacific was about 2 weeks ago.

The second piece is the provider portal. We are in the process of taking a look at, with the provider community, how we get that to a place where it serves both the Choice side and the PC3 side, given the onset of this program.

I would say, to the question about interoperability, we do not yet have interoperability. That is a desire of all of us, the VA, ourselves, and Congress.

As you know from your time in Congress at this point, and your other work, interoperability is a hard thing to accomplish, but it needs to be pursued and it needs to be accomplished in this space.

As it relates to a contact center in this space, which was your first question, that is going to depend on what the design is. If the design is that we are simply going to be behind the veil and there will be no contact that goes on, then we would not place staff here at our own expense. If the design is going to be that some portion of that is going to need to be required, we will sit with the VA. I will be accountable to Dr. Shulkin. I will be accountable to the VISN director for VISN 20 and the Alaska team to make sure that the tools we design, the footprint we put in place, is going to optimally serve it.

We were moving toward that fast before this hearing, not because of this hearing, but before this hearing. We are now stepping back. We are going to allow you guys to decide what the design needs to look like and then we will rack and stack our plan against that.

We are rolling out local contact centers in every market right now. We were just in Nashville on Friday announcing that one. We are doing this VISN by VISN by VISN as we scale out, because that is the only way to get this right.

We used to do that in TRICARE. We need to do it here. That is why we are moving to that strategy, which was designed 12 weeks ago.

The CHAIRMAN. I want to change the topic here a little bit.

Dr. Buck, what are some of the needs that we have with regard to physician providers in Alaska? Why are we having such a hard time filling that position? How do we relate to this broader topic

of recruitment and retention? Do we need legislative authorization that can enable us to address some of those issues?

To me, that is not a good story. I appreciate that Senator Murkowski asked the IG to take a look at it. It seems part of a broader issue of recruitment and retention of qualified physicians.

How do we address that?

Dr. BUCK. That is really the key to making things better, we believe, in regard to places like the Mat-Su clinic. We published a national staffing report that demonstrated across the country physician shortages are the most critical need for the VA right now.

The question is how you go about addressing it. Part of it, certainly, there will be circumstances in which the VA cannot compete with private-sector salaries. A neurosurgeon for the VA is going to have a hard time making what a neurosurgeon in the private sector can make. The question is, aside from just the salary difference, how do we make VA the employer of choice for doctors?

What I can offer you is only my personal opinion. I will ask Ms. O'Neill to share hers as well, from having been out in the VA and from having seen what we have seen in the IG.

The truth is that we need to put providers back to doing what they do best, which is taking care of patients. If you have gotten care in the private sector recently, you probably noticed the unwelcome intrusion of a computer screen between you and your patient. The electronic health record is a wonderful tool but shouldn't we look at voice-activated software? Shouldn't we look at other options that make the job of a doctor in the VA all about that interaction with the patient and not about the paperwork and not about the process?

If we can make that, we go a long way toward making VA the provider of choice.

How would you go about doing that? Why not spend a day in the clinic with a doctor and see how much of their time they spend with patients and how much of the time they spend on other things. Then from there, bring together your best minds and design the best strategies you can to put the doctors and the providers back to the task for which they went into medicine, which is to take care of patients.

The CHAIRMAN. Dr. Shulkin, do you have a view on that? You have been recruiting doctors in the private sector for decades.

Dr. SHULKIN. Well, I would just like to point out that Dr. Buck has been a practicing physician, so she shares the exact same perspective I have, which is that we have to make this an environment where people want to spend their careers. We are likely to attract people who are not doing this primarily for financial gain. We are likely to attract a large number of people who currently work for the VA, who are patriotic, who want to give back to those who have served, who choose to be there serving veterans.

I think we have to do a better job of getting that message out that we are a great place to work. We do have some issues that we have to fix. I like Dr. Buck's suggestions about being on the leading edge in making this a place to work.

If we cannot get the right doctors and other providers to staff the VA, we are going to have what happened at Mat-Su clinic. We are going to have to just double down on our efforts.

The CHAIRMAN. Let me get specific then on the Mat-Su clinic. How do we fix that?

Dr. BUCK. After we made our recommendations, the VA indicated they have since put in place a permanent provider at the Mat-Su clinic. They have a provider now.

As I said, our work is not done because we are going back to see how things are working after that change has occurred.

The question is more, how do you prevent those gaps? Then we get back to the recruitment and retention issues to begin with.

Ms. O'Neill has some suggestions as well, with regard to that.

Ms. O'NEILL. Thank you, Senator.

In our many discussions during the previous report, in addition to pay, a couple of other areas for opportunities I think to look into: One, provider schedules. So many of the providers that we spoke to, particularly here in Alaska, came because of the amazing other things that they can do besides just see patients. Looking for more alignment between provider practice patterns and the schedule that is quite rigid in the time and leave program.

Then just the process itself for recruiting and retaining providers, particularly the interface through human resources, that it can be slow, cumbersome, with the many regulations. Some providers just give up and go elsewhere.

The CHAIRMAN. OK. Thank you.

Look, I mean, we cannot have what happened ever again, right? I mean, it is completely unacceptable. I want to be very focused on the issue of recruitment and retention because I think, Ms. O'Neill, your point is spot on.

My own view is that most doctors in the world would love to come here. Look at this place. It is a lot better than anywhere else in this great country of ours. We just have to get the word out and to be able to practice both at the VA clinic and maybe with partners like Southcentral. They have a beautiful facility out there. It should not only be an opportunity that would be professionally rewarding, but living in Alaska for most people is personally exhilarating.

I think we can all do a better job with that. But if there are flexibilities that you need with regard to congressional authorizations, I am certainly somebody who is going to be very open to making sure we do what is incumbent not only on the VA but on everybody, which is to fulfill the requirements to have the best-trained physicians and longevity treating our veterans.

Well, I am going to close by thanking the panel. Dr. Shulkin, I appreciate you coming with the six principles that you laid out.

Mr. McIntyre, I am a little concerned. The point of this hearing was not to say, hey, Congress, VA, fix it, we will figure it out, right? The responsibility is everybody's. Hopefully, that is not what some of your statements were indicating, but I got a sense that is a little bit of what you were talking about. If you can clarify your view here, that is not the goal, right?

We need smart people to figure out—we have a problem. Alaska is unique. The implementation of Choice is not working. Thousands of veterans and their families are suffering.

This whole hearing is about getting ideas on the table, not just talking, but acting, and everybody here being part of fixing this. I

certainly do not want you to take it as some kind of mandate to where responsibility is handed over to Congress and the VA and you'll step back. You are in. Whether you are going to be in for the duration, that is driven by what is best for our veterans. I certainly do not want you to view this hearing as a pass on the responsibility that you currently have.

Mr. MCINTYRE. Sir, I am not taking a pass on that responsibility. I tried to architect the solutions that I thought needed to take place. They are in the process of being put in place. I am going to put them on pause until I understand what the design is going to look like so that I do not end up executing something that is not going to meet the need.

If the need is going to be and that approach is going to be a more Alaska-focused approach that goes back to drawing from the way that it existed previously, then I am going to have to tweak some of the design that I was getting ready to implement. That is all I mean.

I am stepping back so that I can understand what the design decisions are, so that I can determine whether I have myself properly calibrated, or whether I need to recalibrate. Then I will execute and be accountable to you, Dr. Shulkin, the VISN director, and the veterans in this community.

The CHAIRMAN. Let me end by emphasizing that point. As I mentioned in my opening statement, the VA is accountable. The administrators are accountable to Congress. That is the point of this hearing, for oversight.

The main point is that we are all accountable to our veterans. I think if we keep that in mind, and I certainly am going to do that, then we will not rest. I can tell you my team and the members in this congressional delegation, Senator Murkowski and Congressman Young, will not rest until, working together, we get to a better place. Because right now we are not in a good place and we have to fix it.

I appreciate all of you coming. I appreciate all of you traveling from far distances to come to Alaska. I get a strong sense that even from a couple days on the ground here, you have a much deeper understanding of our challenges and the severity of the issues impacting us. I look forward to working together to fix that for veterans.

Thank you very much.

Again, any Alaskan can submit testimony as part of the official record of this Committee hearing, and we will leave the record open for this hearing until 5:30 p.m. Alaska time on September 1, 2015. We have set up an email address for submissions which is public_testimony@Sullivan.Senate.gov.

This hearing is adjourned.

[Whereupon, at 7:48 p.m., the hearing was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF SAKET AMBASHT, M.D., PIONEER GI CLINIC, ANCHORAGE, AK

The implementation of VA Choice in Alaska has had detrimental and opposite effect on access and healthcare of Alaskan veterans. The problems at other VA clinics and hospitals have been well publicized and has led to a national call for improvement in VA access and quality of care.

All the while the VA healthcare system in Alaska has been excellent with a smoothly functioning system that drew on the civilian reserve of subspecialty care. As a matter of fact, three of my VA patients who had moved out of state had returned to Alaska citing the quality of VA healthcare as the primary reason for their return.

A national VA Choice plan was implemented across Alaska without considering the unusual and unique circumstances that we consider routine in Alaska. Over the past 2 years, the VA reimbursement to the physicians had dropped 30 percent resulting on significant impact on the viability of private-practice physicians. Due to the expensive Alaska labor force and the cost of commercial space and attendant inflation of conducting business, the entire bulk of reduced reimbursements have fallen on the shoulders of physicians. This unilateral action has threatened the institution of an independent physician, not beholden to the interests of hospital corporations or the interests of the insurance companies.

Adding insult to injury, the implementation of VA Choice has resulted in instantaneous reduction of an additional 30 percent reduction in physician reimbursements. At this reduced rate, I have been unable to provide needed medical services to my patients without risking bankruptcy. We are informed by faceless administrators that Alaska is no different from Seattle in terms of business climate or cost. Of course, none of these people have tried to run a medical practice in Anchorage nor have they thrown away substantial amounts of money trying to recruit qualified—actually, any—candidate to Alaska.

For the past 7 years, I have provided care to 1036 veteran patients out of 7994 total for a total of 12.96%. Just in the past one year, veterans made up 14.53% of my patients. Over the past 2 weeks I have been only able to see 2 VA patients out of 77.

Forced to ration access in order to survive financially, access to care for all veterans in Alaska is severely curtailed. I, as a disabled veteran, continue to carry private insurance at a phenomenal cost, because I cannot rely on timely “guaranteed” VA benefits myself.

I would be willing to testify that this ill-conceived implementation of VA Choice program in Alaska has resulted in the opposite of the intended effect by decreasing access to care, delaying care to the Alaska Veteran population. It undermines the viability of physician practices by implementing arbitrary and unnecessary reduction in fee for services, threatening the existence of physician practices on which Alaskan rely in time of need.

I write to you to seek redress from this arbitrary decision by the VA. Please do not hesitate to have your staff contact me with any questions or concerns.

PREPARED STATEMENT OF ANONYMOUS SUBMISSION

As a veteran, I have refrained from using CHOICE as I do not feel I should be expected to pay a co-pay for service-connected or over 50% rated medical care. I should not need to spend hours on the phone trying to establish an appointment. I should be allowed to have some say in my health care, whether it be day of appointment (considered desired date, or clinical indicated date) or which provider I prefer. Patient centered healthcare has been removed by the law to use CHOICE

and TriWest. You have already heard of the numerous complaints, they are all similar. I am not the only veteran delaying my care, or not getting the care because I do not want to use CHOICE. Most veterans I talk to do not want privatization, and that seems to be the path that Congress wants to take. This is something that I have heard of for the past several years that Congress would like to do away with the VA. We have earned the right to use this system and do not want to lose it. (I speak as a veteran, and for other veterans on this matter). If Congress wants to enhance the healthcare, it may be necessary, but don't make it mandatory and give us options that work. Don't break the system by adding more layers. It is not perfect, but don't throw the baby out with the bath water.

One of the reasons vets like to use the VA is it is like family to them. It is unique to their needs. As active duty, a camaraderie is built. When one separates, they transfer this same camaraderie to the VA. They like to visit each other, tell their stories, and reminisce. They meet with their friends and forge new friendships. When you go to local providers, you get impersonal interactions. "Next" is resonated. They don't always listen to what you have to say. They only have a few minutes as they need to see 45 patients during the provider's day. They can only focus on one or two issues. At the VA, the patient is allotted more time to be able to share their concerns. The provider has more time to address numerous issues. Our system is bogged down with an archaic records system and numerous performance measures we need to meet, but we work through them the best we can. Developing a system that actually talks with the DOD, and marries the patient records into one system is absolutely necessary. Both the VA and DOD have been working on this, but the bureaucracy buried in both systems is nearly impossible to get through. With all the technology available, you would think we could get through this. We are finger printed at every level. Why can't both systems agree to the same privacy rules?

As a VA employee, the nightmare continues. We take pride in our service to our veterans. We have about 42% veteran employees at the Alaska VA. We serve those who serve. Patients have complained the local provider has told them "PTSD is garbage, don't use that here." The local providers (includes the PC3 program) will throw in numerous consults for follow up care regardless of the need. There is no continuity of care. There is no follow through. Patients are needing their annual appointment, but no reminders are generated for the patient to be aware they are due. Many of our patients have cognitive impairments that prevent close following. They fall through the cracks. After two years, they fall out of the system as they have not been seen in 24 months. We have had patients denied care by local providers due to behavior issues. Many of these vets are angry with government and needs someone who still cares even after getting front line chewed out, yelled at, screamed at, etc. The front lines take the heat, and it continues on to the exam rooms. It takes skill to diffuse these veterans and calm them enough to care for their needs. We aren't always successful, but we care and we know that the vet still needs care. Many of these behavior issues are due to brain injury. Local providers do not have the time or patience, nor the understanding of their anger, to be able to safely and effectively care for them. We have a police force to help us, the local providers do not. They are for profit, not dealing with issues they don't understand. How many more suicides will there be if our vets get some of these attitudes from our local providers?

Many of those local providers do not have the psychology back up within their system. We can walk across the hall and ask for mental health support. We can call our police force to meet us at the exam door to help us. We have prevented many suicides just by staying on the phone with the vet and guiding him/her to our facility (actual case, the MSA stayed on the phone and actually directed him to our clinic for immediate care—successful!). We are seriously concerned our patient population is NOT getting the correct care due to the system we are mandated to follow. The nation is going to a Patient Centered Home Based Health Care Model. The CHOICE does not allow that. As for TriWest, for every consult they get they get \$\$ (has been said it is \$200 each consult). When we manage the consults, and there is one that is put in several times for the same complaint, all but the active one is discontinued or canceled.

TriWest does not do that. They just process all of them, getting paid for each one, and then the person ends up with numerous conflicting appointments dependent on who is handling which consult. TriWest admittedly is for profit. Hal Blair stated he would like to believe they are taxpayers first, businessmen second. He did not mention anything about caring for veterans. It galls us that he used to be our associate director for several years before leaving and moving to TriWest. He was not effective as Associate Director, and now we are to do their job. They are getting space at government cost to have their people embedded with us.

We are spending hours and hours on the phone trying to fix their shortcomings. Our employees cannot do the jobs they are hired for as we are trying to resolve CHOICE issues. One of our CHOICE experts says the average call takes about 35–40 min to resolve. He is chief of service, and cannot get off the phones. We are already short staffed in numerous departments, and this only adds to the short comings. It is common knowledge that “government contracts are the way to go” It is a business man’s dream as the ones at the top get lucrative pay and the workers get minimal. We want our job security. We have been hired to do this work, and with the addition of TriWest, our duties has doubled. This is not cost savings but government \$\$ wasted. KTOO news is quoted as saying “the government paid TriWest \$8.4 million last year to buy \$2.3 million worth of medical care for veterans.” That is three times the cost of care. TriWest is for profit and it will always cost us more as taxpayers, not less.

Our patients need care managers. We have excellent care managers (Integrated Care) and we have some that aren’t quite as skilled. It is a skill and we try to hire the right characteristics to get the best staff possible. A care manager will ensure their patients get the care they need regardless of the behaviors, the mental or cognitive difficulties they may have. We need to know our patients to be able to do this. I will give you another scenario, actual case.

Patient has a consult for orthopedic care. He needed to go to Seattle for the appropriate care and surgery. He has a current consult that is still active. At his last appointment it was determined he needed additional surgery. He needed authorization for the surgery, his date had already been determined for Oct 15. His pre-op was for 13Oct. When he asked his Primary Care provider for the request for authorization, a second consult was entered (not needed as he was still authorized care on the first consult). He was given a new appointment, but this was for an initial exam. He did not need the initial, only the authorization for the surgery. He could not get it, He was told this was a new consult and he would need to see a surgeon to determine need for surgery. We have been working with this vet since June to resolve this.

I spoke with him a week ago, and still no resolve. To add to his frustration and need for numerous calls and being on hold for hours, he has some brain injury which affects his memory. He is unable to remember more than two tasks at a time, and there is no care giver to follow this to ensure he is able to avenue the system. He may forget to get the MRI scheduled, or not make the correct travel arrangements, etc. He told me he plans to have the surgery regardless if he can’t get the authorization in time. And the VA can figure it out later. Does this mean he will get \$\$\$\$\$\$ of bills?

Another case: Patient needs MRI before our orthodontist can see him for his first visit. He lives in Juneau so he needs to get the MRI at the local hospital. We have a Physician Assistant that is working under a Washington State licensure. They are denying her orders as she is not licensed in Alaska. (As a Federal employee, we are allowed to work under our state of licensure without having to apply in every state we happen to work in or are stationed as active duty). So the staff has had to find a provider that is licensed in Alaska. However, this creates more problems. The provider ordering is responsible for the results. The Primary Care provider is a Nurse Practitioner and has a license in Oregon. Again, not accepted. His surrogate is not willing to sign the order. The general surgeon is not the care giver.

Around and around we go, and we eventually had to cancel the consult as we cannot see him until we the diagnostic results. The patient is angry, we are frustrated. The patient is in pain and needs treatment. Our local vendors have been able to work with our staff and resolve these issues with the Non-VA Care Closer to Home initiative. TriWest has not been able to do that. Another case: I spoke with a vendor (happened to be a caregiver for me due to a vehicle accident, other driver at fault). Asked how the CHOICE program was working for them. She said it is very confusing, and the “right hand does not know what the left hand is doing.” “We are having to reshuffle all of our accounts. Makes it tough.” Other vendors are canceling their agreements with the VA and opting not to use TriWest as they have had issues with this agency in the past. Agreements that were working very well are now lost.

Our Rheumatologist had to leave our employment due to her spouse PCSing (change of duty station). It took us about three months working with the local Rheumatologists to set up patient care for her 450 patient panel. All Rheumatologists locally have a 6–12 month wait list, and we were able to work through this backlog and ensure patients were seen when their clinical indicated date was due and no or minimal delay in care occurred. As soon as this was resolved, TriWest came in and all this was lost. Vendors were dropped or chose not

to participate, and now we do not have readily available providers for follow up. We will not be hiring another Rheumatologist as they just aren't available.

We have had vendors give inappropriate care as they get paid better for the different codes. One podiatrist was giving joint injections as treatment for a condition the patient did not have. He did not have joint pain, he had a different diagnosis, but for each injection (10) the provider was paid for each one, costing the VA thousands of dollars for the one visit. This was identified by our staff, and was well documented, so our leadership was able to determine this vendor was rendering unsafe care. There have been other examples of this type of fraud and misuses of diagnostics for patient care.

There is no urgency considerations for consults. Any consult less than one week is batched with all others. Our Chief of Staff is needing to go through each one of the urgent consults to determine if the urgency is appropriate. If it is, we need to try to find a vendor able to see the patient and hopefully wait for payment when we get some funds to pay for it. This includes any patients not eligible for CHOICE, or those who had their treatment halted (cancer therapy, PT, etc.) due to CHOICE. This had become a full time duty and she is unable to give full attention to her regular duties as Chief of Staff.

Patients are now being asked to wait longer than the 30-day window in which we were already doing well in getting most patients seen within 30 days. I was told by one patient that when he called TriWest, after numerous calls and different staff giving him different answers with each call, he was told 'we only upload the consults once a week. (one week delay), then we have 6-15 days to work the consult (three weeks), and the appointment may take up to 30days to be seen, Almost two months. I had one patient that called the vendor and said they could see him the same week. He called TriWest and was told the vendor (same one) did not have an appointment available for 45 days. Same vendor, same day he called.

For our hiring issues: We need to be able to pay our staff appropriately. I understand the need to cut the budget, but don't do it at the bottom of the pay scale. Our classifications department (VISN level) is reducing nearly every position by a pay grade. An MSA answering the phones and doing clerical work is paid at a higher level than the health technician (HT) level for a job description that I submitted. It was downgraded to a five, and the MSA is a six. The health technician takes a life in their hands, doing direct patient care, identifying serious health issues and concerns, and keeping our providers on track to get our patients seen timely.

In Alaska the cost of living is very high. I cannot hire staff for minimal pay. They will go elsewhere. I was told by a senator, "We have to cut the budget somewhere." At the cost of some of our hardest working staff. They stay because they are committed, not because they are paid well. As I need to hire health technicians, I submitted a Job Description, following the classifications guidelines and personal help from the classifiers. When the position was reduced from a six to a five level (title-5) I was told they compared the HT with a certified nurse assistant (CNA). That is equivalent to comparing a nurse practitioner with a medical doctor. If they use this same analogy for comparison, then the MD should be paid the same as the NP, as both are doing the same job in the clinic. No distinction other than pay. One is under medical practice, the other is under nursing practice and follow different regulations. A CNA (nursing practice) cannot do certain tasks that a HT (medical practice) can. They are two different requirements.

I need HTs, not CNAs. I myself was a CNA, so I know what the Nursing regulations are. When I rewrote to add duties and give the HT more responsibility, I was told their work still did not warrant a six level. But a front line clerk did. (I do not want to take away from them, as the front line takes a tremendous amount of heat from our veterans, and earn every dollar they make, but our health techs are health professionals in direct patient care. They dress wounds, assist the providers, take orders, work specialized equipment, etc. I then rewrote the description to match a surgical technician, knowing that I would be able to cross train them for the OR as well as assist with procedures in the clinic, I was told that they did not believe that their work warranted the same level as the surgical tech in the OR.

These classifiers are not working in the health field but are administrative deciding what they think the HT or surgical tech actually does. For the providers, some considerations for recruitment: If we hire the Uniformed Public Health Corp, they can only work for six weeks. Not worth the time to train. This is a service that once was able to work within the Indian Health Services, but here in Alaska, that is no longer the case. Lose the bureaucracy, and make it easy to utilize another government service by allowing the VA to hire this service full time.

As the DOD is trying to downsize, allow some of the active duty that want to continue their careers to work in the V A as active duty to complete their service. In year 2001, a commander for the hospital PCSd to Mt. Home, Idaho. His wife was

also active duty urologist. Mt. Home did not have a position for Urologist, but the VA was able to use her. Her active duty assignment was carried out at the VA. A win for both the DOD and VA as well as the military member. So, I know it can be done.

Pass some sort of legislation that allows us to hire and pay back some tuition as they do in the military. Consider well-trained providers (trained in England, and America for example) that have not yet received citizenship. One very qualified individual had the training, but could not get hired due to citizenship. For him it was a catch-22. I can't quite remember his dilemma, but to get one, he had to hire, but couldn't hire because he didn't have the fellowship. Something to that effect.

I hope the intent and information in my letter is useful. I could add more cases, but you already have the facts to see that this system is not working. Key points are looking at recruitment, looking at how they classify positions, and not privatizing (will always cost more and leaves the door wide open for fraud and waste). If you need additional information, please do not hesitate to get a hold of me.

PREPARED STATEMENT OF MS. ELIZABETH BACOM, PETERSBURG, AK

I am writing as a veteran, with numerous veterans in my family as well as a son serving active duty. In my work, as the manager of a clinical laboratory in Southeast Alaska, we have numerous veterans coming for laboratory or imaging studies. In the past (prior to VA Choice), we would receive a fax authorization that provided a range of dates for service to be rendered. We made every effort to contact the veteran so he/she could come in for testing. With the new VA Choice, we often do not have an authorization prior to the patient coming in, and when we do have an authorization, it is only valid for ONE DAY.

For outpatient lab work, a veteran may need to fast, if this factor is forgotten, a new authorization needs to be obtained. This program is not adequately meeting the needs of our veterans, and there is much confusion for providers. The VA needs to communicate with clinical providers to learn the impact of this program. The only way to improve this program is to involve veterans AND agencies that provide care like the hospital in our community. I have many suggestions to alleviate frustrations for everyone. Assign case managers to regions and make sure they understand the region they are covering. Someone in Texas does not have a clue to the issues in the difficulties of transportation between remote Alaskan communities. Open the dates for the authorizations.

Use a "credit card" that can be loaded electronically with authorizations to pay for services. Our service-connected veterans (SCV) have the same difficulty as our non-service-connected veterans. These two groups need to be isolated, not treated the same. Often the SCV has medical issues that need to be followed more closely. I am always pleased to take care of a veteran. Today I had to turn a veteran away because I didn't have the authorization. I called the VA Choice line and am waiting for a return call. We can do better for our veterans! I am happy to discuss this further with you or an assistant. I am not enrolled in VA Choice because I have adequate care and don't need the additional medical coverage. There are veterans that need this assistance, it should not be rocket science to get them the medical care they need and deserve. Thank you for taking the time to read my message.

PREPARED STATEMENT OF BRIAN S. BEARD, (US ARMY, SERVICE-DISABLED VETERAN),
STERLING, AK

FIRST OFF I would like to state how very grateful I am for the assistance and services I receive as a Veteran. I do have experience with the VA Referral process (pre- and post-VA Choice Program implementation) and want to provide insight from one Veteran's perspective as to possible issues and areas I see where improvement may be helpful. I would be open to assisting with the improvement of this program or any other area in need.

Summary:

I had a couple of referrals prior to the VA Choice Program implementation and three since that program was implemented. I will list the general areas where I have experienced issues and/or believe some level of improvement may be warranted. Feel free to contact me if you have questions or if I can be of assistance in improving this program or any other area.

1. Confusion re: purpose and when to use program. I received multiple letters prior to the program; however, I never really understood if it applied to me since

I already received all my health care through the VA. I also received at least 2 “member” cards for the VA Choice Program. The latest one I received is marked “Temporary Program.” It wasn’t clear to me that ALL referrals had to go through this new program (at least the ones where the VA is referring services out to a non-VA service provider). There is, however, no indication to me as the Veteran that a given referral will be met from service providers within the VA or external to the VA—different processes? For the referrals that are supposed to go through the VA Choice program, the process does not appear to be understood well by those who are involved (VA and VA Choice Program personnel).

2. Overall process confusion: In my experience the overall process and associated timing of each step is not well defined (at least it is not well understood by those the program serves—in my opinion). There are several layers and organizations involved at different times: local VA service provider (submits initial referral), VA (enters referral so VA Choice Program can process referral), VA Choice Program (actual processing and funding for referral and making appointment), external service provider (ah, the actual appointment), VA Travel, etc. The process just seems complicated and ill-defined; moreover, there is terminology that adds to the confusion when speaking with different organizational representatives: referral vs. consult, approval, funding, etc.

3. The VA Choice Program adds another layer of people involved with processing referrals. I believe there is an issue with the interface between the VA and the VA Choice Program. VA personnel have not received training on how to properly process referrals (at least the ones I have spoken with), there are no processes in place to confirm entered referrals were actually received and processed by the VA Choice Program, and Veterans are subsequently left hanging with no communications in many instances. For example, a local VA care provider entered a referral for me in mid-May 2015 (for neuro/psych testing). I never heard anything so I contacted the VA Choice Program a couple of months later and wasn’t able to get an appointment until late July. I only got the appointment because I made several calls and found out the referral hadn’t been processed correctly.

4. Processing by the VA Choice Program is quite slow and drawn out. Not only is the overall process slow, but I have had to call multiple times for each referral. For example, I called to confirm they received the referral /consult from the VA; then I had to wait and call back for approval and funding to be provided—at that time I have to give them a list of availability dates for appointments * * * and then call back later to obtain actual appointment details.

5. Communications from the VA Choice Program concerning referrals and associated details are almost nonexistent. I have had at least three referrals for care since the implementation of the VA Choice Program, and I have had to contact them in almost all my dealings to obtain details of appointments, etc. (I actually don’t think I have ever had an instance where someone from the VA Choice Program has contacted me proactively with information concerning my referral or appointment)

6. Making related appointments (based on referrals): It would be very nice to have the option of having VA Choice Program personnel make an appointment for me OR allowing me to call the actual service provider and make my own appointment (after approval has been provided to care provider from VA Choice Program).

7. Accuracy: I had one instance where I was told by VA Choice Program that I had an Allergist appointment on a given day at a specific time. I showed up to the Allergist for my actual appointment and was told I didn’t have an appointment. The receptionist stated that she had spoken to someone at the VA Choice Program but was expecting a call back for something needed for finalization—and never received that call back.

8. Related Travel: There is also a disconnect between the VA Choice Program and the VA concerning travel associated with an appointment resulting from a referral. No information is provided on handling related travel (not always needed, but it is sometimes). This leaves the Veteran not knowing what to do or who to contact to address any travel needs. I was told by the VA Choice Program representative that they do not handle travel at all, so I needed to contact the VA for that; however, I did not have a contact or number.

9. POSITIVE: The VA Choice Program representatives have always been nice and respectful in my interactions with them.

PREPARED STATEMENT OF DIANE CARLOW, BILLING, KENAI PENINSULA MEDICAL OFFICE, KENAI, AK

I am not a veteran, but I am affected by the changes, NOT for the better, that the Veteran’s Choice program has instituted. I am the biller at a Kenai Peninsula

medical office, and I have found the new Choice program to be much more difficult to navigate and deal with than the old VA program. Veteran's Choice is making the regular VA billing and payment system look positively angelic, and it was by far the worst program with which I dealt prior to the Choice program. The old VA system was the slowest payer; I repeatedly had to tell the doctors that it would do no good to even question an unpaid claim that was less than two months old as it would not have been far enough through the system to even discuss with anyone. The vast majority of our electronic claims to any payer are paid within two weeks and our paper claims (other than VA) are paid within a month, with rare exceptions.

That said, our medical assistants had found a contact person in the VA with whom they could speak and be assured a requested authorization for a patient's surgery or further treatment would be coming in short order. I, too, had a contact in the billing department to whom I could fax unpaid claims and she would investigate them and push them through, or kindly tell me what the holdup was so I could correct the claims into a format that the VA would recognize. Often that format was more stringent and less logical than even Medicare as far as their ability to understand and extrapolate information and pay accordingly. I frequently got faxes to send a corrected claim only to find out the claim in question had already been paid months earlier because they are apparently unable to see claims that may have paid on a different authorization number (the suffix of the authorization was different, not the entire authorization).

I cannot speak about the payment system for VA Choice because, as of yet, we have not been paid for any VA Choice invoices. Our first claim to Veteran's Choice was mailed in mid-June, but most of them are from early in August. Additionally, with the old VA system, I simply needed to mail claims and medical records to the Anchorage address of the VA and they were scanned to the appropriate office. With Choice, I have to fax the medical records and then mail the claim and records, an added burden on medical offices in terms of time spent on each claim. There are also restrictions on waiting room times and other burdens for our office. Since our doctors are on-call at the local hospital, waiting room times cannot be guaranteed for any patient, although we do our best to be prompt, emergencies do happen which can delay patients seeing the providers on time.

We offer to reschedule patients who are unable or unwilling to wait, but that change of appointment time can compromise the veterans' Choice authorizations. Our doctors are considering turning away VA patients if the system does not improve. That would result in a lack of choice in providers which is exactly what the Choice program was supposed to alleviate.

When we, as an office, had the ability to preauthorize further treatment for a veteran who had an initial authorization from the local VA Clinic for treatment with us, treatments were usually started in a very short time. Now with Choice, the veterans are being told they need to get everything preauthorized and that we, as an office, cannot do it for them. There are very few veterans who are medically savvy enough to understand treatment codes and diagnoses to successfully request authorization for further treatments. I have had a few of them call me for CPT coding for potential surgeries, but I imagine most just throw up their hands in frustration. I understand that we can ask for a SAR, secondary authorization request, but the TriWest representative who came to speak to the office a few months ago told the assistants and office manager that ONLY the veteran would be able to request authorizations of any kind. At the very least there is a disconnect or misunderstanding about how the system is supposed to work for treatment beyond the limited visits and x-rays that are routinely authorized by Choice for our veteran patients.

I guess what I am trying to convey is that although the old VA program was by far the worst with whom we dealt, the Choice program is much worse than the VA ever was. I urge you to fix the system(s) to better serve our veterans.

PREPARED STATEMENT OF TOM CARTER, FAIRBANKS, AK

The VA system of healthcare worked fine in Alaska before the choice card went into effect. The best way to fix the program in Alaska is to reset, go back to what we had before and Scrap the choice card altogether.

Simple fix, great results, no problems for us or VA after that.

PREPARED STATEMENT OF JERRY FARRINGTON, KENAI PENINSULA, AK

I was not able to testify at the hearing you held in Kenai on August 24, 2015. The following is what I would have told you.

This past Saturday I tripped and hurt my right shoulder and ended up in the emergency room of Central Peninsula General Hospital. One of the ER doctor's recommendations was to see a specialist in a timely manner.

Monday morning I spent almost 1 hour talking to the nurse at the choice program and was granted approval and that she would forward my approval to scheduling and they would get back with me in 7 to 10 days. Now I do not consider 7 to 10 days or more to see a specialist to be "in a timely manner." That I expressed to the nurse. I was told that he 7 to 10 days is what they are allowed and that they did not have to respond till then. The normal Orthro doctor I have seen in the past did not have any openings until Sep 9. 18 days after I injured my shoulder.

After having to deal with the Choice folks in the past, I have become a hands on person and I called the other 2 Orthro clinics in town. They both had openings for Thursday , August 26. I relayed that info back to Choice and was on the phone again for almost 1/2 hour giving them the clinic name, location and date of the appointment. As of today that appointment has been approved.

Once I am evaluated, I expect additional test to be requested. Again being a hands on type of person, I will make arrangements for my test to be completed, so they can fill in the blanks while I sit on the phone for another hour or so.

I ask you the following questions:

- Why must we do their work for them? And if we don't, we sit here waiting for days and weeks for an appointment. They have no local knowledge on what or who is available or services provided.
- Our local VA clinic has a better understanding of local services and are more than capable of providing approvals for services that they cannot provide.
- If services cannot be provided locally in a timely manner, why is it not suggested or asked if the veteran is willing to travel to Anchorage for treatment.
- What services does the Choice Nurse provide in granting approval that any local doctor or VA clinic could not provide in a more efficient manner. After all they either have evaluated the patient or has their current records in hand.

Recommendations:

- If you are going to keep the Choice program, allow local VA clinics to authorize and schedule appointments for services they do not provide or in cases where the workload exceeds the manpower. Provide the clinic or facility with a voucher for payment.
- Local medical treatment clinics etc. may be filled to capacity and when this happens, the veterans should be advised and given a choice of where to seek treatment. Timely to staff may not be considered to be timely for the patient.

Additional comments:

On August 5, 2015, I had an appointment with my VA Doctor. He requested an x-ray. That request was sent to Anchorage and after several days the request was sent on to Choice. I was instructed to contact Choice once the request was received. That I have done. Again their response was that they will get back with me in 5 to 7 days. Today is day 7, and I have yet to hear from them. The same goes for the physical therapy appointments that were requested.

It is my opinion that if you want the Choice program to work, you have to do all the work for them and allow them to fill in the blanks on their forms. That can be done by any elementary school student.

Thanks you for this opportunity for me to express how the Choice program has been working for me specifically.

PREPARED STATEMENT OF JIM FASSLER, KENAI PENINSULA, AK

Thanks for providing a way for veterans to get the message to you that the choice program is a failure.

I was one of the few at the Kenai meeting that observed the "stop" sign after 3 minutes. I was unable to finish my talking points.

We have a fine ophthalmologist practicing on the Kenai Peninsula that will not accept VA patients. I talked with his staff & was told that he probably would accept the payment offered by VA but the check never comes. I can't find fault in this professional not wanting to work for free.

Also, the optometrist (Eyeware Express) in Soldotna is considering no longer working with the VA system because of the amount of payment. His fee is \$150 for an eye exam & payment is \$90. Again, how can this professional survive on payment that is less than his cost of doing the exam?

Our CBOC has recently experienced the loss of one of two front desk personnel. Since that time, I understand that a replacement is being recruited but has not yet come to work. It is not fair that one person is expected to pick up the slack AND also not fair to veterans that cannot have the phone answered in a timely manner. The voicemail system in place delivers messages somewhere between several hours and several DAYS after we leave messages.

IT IS TIME TO GET A REPLACEMENT FOR THE EMPLOYEE THAT LEFT DUE TO A PROMOTION!!

There was mention that no VA employee has been fired after the Phoenix and other disasters. I hope that when you are allowed to fire these people for not doing the job they are paid to do that you will put a "NOT FOR REHIRE" notation on the personnel file. It is offensive to me that employees fired for cause should be rewarded with another government job. If they couldn't do one job, how do you expect any better in another position—probably with a pay increase?

PREPARED STATEMENT OF DOROTHY FERRARO, DIRECTOR, PUBLIC RELATIONS,
SOUTH PENINSULA HOSPITAL

First off, a few thank yous: Thank you to the many veterans in the room for your service. It's an honor and privilege to be with you tonight.

Thank you to Senator Sullivan and his staff for the opportunity to share important suggestions to improve the VA Choice program.

And thank you to the VA for offering the VA Choice program. The concept is a great one to open the doors in the rural areas for the veterans to take advantage of local offerings, keeping them safely in their communities for their care, and supporting the local physicians and healthcare providers.

I could sit here for hours talking about how patients are affected by problems with Choice. How veterans wait weeks for critical procedures, or pay out of pocket for prescriptions because they still have no answer after weeks of waiting, or wait for over a month for authorization of pre-surgery labs, which can delay or postpone their surgery. But they will tell you their stories.

Instead, I'll give you the perspective through the eyes of the hospital. We are a small, critical access hospital which offers a full range of ancillary services, specialty clinics, and primary care. Veteran's coverage is a growing payer for our organization, particularly due to the development of Choice, increased outreach and marketing the VA is doing to enroll veterans into the benefits they have earned, and the fact that we host the Kenai VA Clinic three days a week. We want to do business with you, but right now it is a challenge.

The first problem is LACK OF INFORMATION:

- VA repeatedly tells veterans that we are not an approved provider, though we are.
- Nobody knows how to quickly and easily find out what's covered or quickly obtain authorizations.
- It's hard to find out where to send our claims and if regular VA or the Choice plan is responsible.

The remaining hurdle is that CHOICE IS NOT USER FRIENDLY AND A LITTLE DISORGANIZED:

- The VA Web site only allows providers to look up authorizations once per day. Once you've logged in and searched for your authorizations, the system logs you out and won't let you back in later in the day. This is unfortunate because things might change from the morning you cannot see it. If this Web site functioned better it would reduce your need for customer service reps, and our time spent on hold.
- Approval times for Choice services are very slow which makes it difficult to schedule; we have had to cancel surgeries & other procedures and are now reluctant to advance schedule.
- Choice customer service reps are not very knowledgeable and are not helpful; Choice staff needs more training.
- The Choice Manager actually told us to bill for services that we were not provided because they were the "authorized services;" and said it wouldn't be fraud on our part because VA Choice is not an insurance company! So most of the visits in the primary care clinic are being authorized using a wellness code, when in reality the patient is being seen for a focused problem.
- Your Authorization forms all look the same, are difficult to read, have a lot of clutter and have the important parts buried: who the payer is AND what is approved. Improve the authorization forms.

- Expected payment time is unknown and unreasonable. Our primary care has billed 13 visits over the last 6 months, but haven't been paid on any of them yet.
- Secondary authorizations in our Rehab for extension of treatment are not responded to. They claim they don't receive them; this totally interrupts patient therapy and is a nightmare for our scheduling. People schedule their PT in advance—not possible for our veterans; Choice says it will take up to 10 days, but we always have to call them after two weeks of no response.
- VA Choice and VA do not communicate; we have to call one, wait on hold forever; then learn you have to call the other; after just having spent over one hour total just waiting on hold. They act as two, non-related entities, with no obligation to cross reference. VA might approve four visits, but the Choice has to do the remainder, but choice knows nothing about it. It's totally starting from scratch.
- VA Choice called to set up an appointment for a patient; they sent us the patient info, and we called the patient realized they lived in Soldotna (80 miles away); they obviously said they would prefer Soldotna for treatment so we shredded their authorization. A few days later the patient called us to request a copy sent to them because VA Choice could find no record of the authorization.

South Peninsula Hospital appreciates our partnership with the VA. We appreciate VA Choice, we want to see it succeed, and when functioning properly it is a win-win for the providers and the patients; we hope you can use our feedback to make positive improvements. Thank you for your time.

PREPARED STATEMENT OF GRAHAM A. GLASS, M.D., PEAK NEUROLOGY & SLEEP
MEDICINE, LLC, ANCHORAGE, AK

Choice doesn't serve the veterans well, which you have heard from the veterans currently on many levels. It also doesn't serve providers well which has already resulted in significant access problems and most importantly, it has resulted in access problems with the highest quality physicians. The busiest physicians are full in Alaska and aren't necessarily willing to deal with another poorly constructed layer of authorizations.

For example, I have already been made aware by patients that the premier neurosurgery group in town will not see "choice" patients. This has also been the case with neurological consultants of Alaska which is a competing neurology group. The reasons are many and include payment issues, difficulty with obtaining meaningful and timely authorizations, complexity with billing private insurance if the veteran has any with obscure rules for using choice as a secondary insurance. My staff has told me that we need an entire FTE to deal with "choice." This is unacceptable and will result in us and other practices closing out veterans which is not fair to them. They will then have the "choice" to receive care at offices that are not booked out, less well respected in the community and ultimately result in lower quality care for veterans at what likely isn't a cost savings.

In order to remedy these issues I would suggest considering the following plan:

1) Feel free to leave "choice" as an option for veterans who don't want to use the VA system up here

2) Modify choice to actually allow reasonable access. They need to provide adequate records to review for physicians, need to have reasonable authorization procedures and most importantly need to function as the primary and only payor for the veteran. Having to sort out primary vs. secondary payor issues is very tedious with choice and further sorting out copay issues is frustrating and veterans get very angry if they have a "copay" which is something they have never encountered. For providers, we are very used to dealing with primary and secondary payors, but with no other program does the secondary need a prior authorization. every other secondary follows the lead of the primary insurance.

3) Reinstate the use of the Anchorage VA "ICS" group and fund them well. Almost all providers who work with veterans have a great relationship with that team and this team had been providing good service to veterans. They are easy to work with, are very reasonable about prior authorizations and look out for the best interest of the veteran by sending them to docs in town with good reputations. Most of the time when access issues occurred before it was related to the community office being booked out or limited funding to this team.(for example if you call my office for an appointment. today and have the best insurance in he world but are not an emergency, I'm booked out 3 months—you can go to another neurologist sooner, but the only ones that aren't booked out are the locums that come up to a competing practice and are not invested in your community or long term care).

4) Give the veterans a "choice" to choose the choice program or the VA system here that actually worked pretty well considering the many unique challenges to Alaska.

PREPARED STATEMENT OF DONALD W. HECKERT, NIKISKI, AK

Over the past three years, I have waited 17 months for a prescribed MRI, have been scheduled two appointments in the same time for the same day, but over 120 miles apart. When notified of the second appointment 1 day prior to it being scheduled, the VA stated the reason is the scheduling computers don't connect with each other.

Similar issues occur during requests for travel. I was denied filing travel mileage at my local clinic, for travel to another VA hospital over referrals my clinic's supporting hospital scheduled.

My treatment records were forwarded to Fairbanks, and I hand-carried copies and provided copies. Fairbanks is a joint DOD and VA community hospital. I was directed to contact Anchorage. Since I am a retired USAF veteran, I attempted to get my medication from the Military Pharmacy at Bassett (60 feet down the hall) and was told that they could not honor VA prescriptions. I received a call from Anchorage VA a week later on the 13 July. I have called Choice three times now with no response. In order to receive treatment and prescriptions here at Kenai, my physician cannot work with me until I have gone through orientation (my Kenai records were still in the computer in Kenai) now scheduled for 2 September at the earliest.

Please help direct the System to respond in a timely manner to ensure access to care for all vets, and improve access to prescriptions. I have been advised it would be easier for me to stop work, leave Alaska, and return to my VA in my previous home state.

PREPARED STATEMENT OF EMMET HEIDEMANN, EAGLE RIVER, AK

Last night I thought it would be a Town Hall meeting and I wanted to inform you how The Choice program was working in Alaska. I was told there would be no public comments at this meeting.

I was approached by the TV reporter and I explained my experience to her. I was emailed a copy of this article and I noticed you were looking for solution to the present no service of the Choice Card.

My suggestion is to have the VA in Anchorage solve this problem for Alaska. They have been doing miracles with an undermanned and under funded program for years, I have full confidence with their knowledge and leadership they can make a system that works in Alaska.

The entire authorization program was being worked by 3 people now we have an empire replace 3 people working out of the Anchorage VA. Bigger is not always better.

Local knowledge of location, weather, and its people that is what makes a system work, there is an old saying "We do not care how they do it outside we live in Alaska."

I am speaking for myself and other veterans, we thank you for interest in veterans being treated fairly and representing us in this huge government. You have our support.

PREPARED STATEMENT OF DAN J. KOSTERMAN

I am a disabled veteran and a healthcare provider. I use the VA for my health care. The recent change to the veteran's Choice Program has been a nightmare for me.

I suffered an aggravation of a previous injury. I called the VA for a referral to a chiropractor, to whom they had sent me previously. I was told I had to join the Choice Program.

There was a wait of almost 2 weeks to get that straightened out. Then I was told that my provider was not a member of the Choice program. It would take a month and a half at least to get him enrolled.

I ended up paying for care myself. I was unable to work due to my injured condition. My chiropractor was frustrated by repeated attempts to get authorization for my care, once he was an approved provider (no one informed him that he was finally approved. I had to call the Choice Program to confirm, and then I informed him).

Took several weeks until someone at the Choice program finally mailed them an authorization for my care.

As a provider, it has been very frustrating trying to get paid for the care I have provided. It is routine to get any email stating that we never sent in our report, even though we had documentation that we had, indeed, sent it.

The system that existed before the Choice Program was somewhat cumbersome, but at least it worked. I have heard multitudes of complaints from other veterans about the runaround they have received the choice program.

Please do everything you can to restore the VA/TRICARE program to its former state.

PREPARED STATEMENT OF PAT LINTON, EXECUTIVE DIRECTOR, SEWARD COMMUNITY HEALTH CENTER, SEWARD, AK

Thank you for hosting the listening hearing on this issue this past week. I attended the session in Kenai, but time ran out before my name was called to testify in person. Consequently, I am submitting my points for your consideration through this email as you encouraged us to do at the session. I was a Congressional appointee to Annapolis. I then served seven years in the National Guard. My father was a naval veteran in WWII.

I serve as the Executive Director of Seward Community Health Center (SCHC), a non-tribal FQHC that opened in March 2014. SCHC was created by the city of Seward in 2010 and was successful in receiving its New Access Point 330 grant award in late 2013. In our situation, the city of Seward is technically the grantee, and the health center is operated by Seward Community Health Center, Inc., an Alaska non-profit organization established for this sole purpose. Thus, we work in a partnership relationship with the Administration and Council of the City to bring sustainable, affordable, quality primary care to the people of the Seward area.

Since our opening, the topic of how best to serve the veterans residing in and visiting the Seward area has been one of regular attention. We are keenly aware of the high per capita ratio of veterans in our service area. When the VA Choice program was first announced last year, we were on top of it as soon as possible. We have been serving veterans under this program since last November even while we were negotiating the contract. We have served 13 VA Choice veterans so far and hope to continue growing this number. Although we, too, have to deal with the challenging administrative authorization and reporting procedures currently required to participate as a provider in this program, we have learned how to do so as best we can and seem to have been able to develop a relatively good working relationship with our counter-parts at TriWest.

We recently hired a board-certified family medicine physician who serves as our Medical Director. Prior to joining our team, he served for 17 years in the Air Force and completed his service as a Colonel and head of Aerospace Medicine at JBER this past April. We have veterans who serve voluntarily on our Board of Directors of the health center. 92% of our Board members are also patients of the health center so we are truly patient-directed in service to our community.

We have two family medicine physicians and a family medicine physician assistant on our permanent provider staff. We also have two RN's, one of whom provides patient health education, case management and care coordination services. We also have a social worker on staff who coordinates all of our outreach and enrollment services and is our primary point of contact with TriWest for this program. We also have close working relationships with SeaView Community Services (behavioral health, substance abuse and disability services) and Chugachmiut Northstar Clinic (tribal clinic, but not an FQHC), both of which are located here in Seward.

We are a provider a comprehensive, primary care services to veterans and all members of our community regardless of ability to pay. We offer a sliding fee discount program to those who are eligible and in need. We take all forms of insurances and third party payment. We often set up payment plans for those in need. By Board policy, we do not send anyone to collections. We also have same-day appointments available every day so that any patient is able to get in to be seen either that same day or the next morning without having to wait. We are co-located within Providence Seward Medical Center with full service laboratory, radiology and emergency services literally across the hallway from our clinic.

We were able to successfully negotiate and execute a contract with the VA Choice program about ten days ago. We have the capacity, capability, competencies and sincere intention to serve as many local veterans who come to us for service under the program as needed.

Like yours, my heart went out to our veterans who courageously provided horror story after horror story at the hearing in Kenai. On the drive home, I could not stop thinking of ways we could help make it better for them. A number of creative ideas came to me about how we could quickly design and implement a two-year demonstration project here in Alaska to fix this dysfunctional system working collaboratively with the VA, TriWest, community health centers across the state, specialty physicians and hospitals, and the Alaska Primary Care Association. It's called the "Vet Centered Medical Home" project that would return control to the local provider level, increase participation from specialists and hospitals, greatly improve referral and appointment efficiencies and establish mutually determined boundaries and accountabilities to the program so that care coordination is greatly improved while unnecessary and costly utilization is contained.

I was so moved by the stories that I heard, and so inspired by the ideas coming to me on the way home, that I immediately roughed out the basic framework for the demonstration project and shared them with our leadership at the Primary Care Association. I hope there is some receptivity to these ideas because I do believe very strongly that we could move quickly to get this demonstration project developed and immediately begin to make things better for our veterans. Perhaps I'm naively optimistic, but if we all work together with a "must do" attitude to come up with a better way of doing things, I feel confident that it can be a win-win-win for veterans, providers and the VA system. And really, based on what I heard, we have no way to go but up, so why not give it a try.

I'm thanking you in advance for your personal efforts, your commitment to our veterans and to thoughtfully receiving my testimony. If I or any of our staff can be of assistance to help make a difference and resolve many of these issues, we are ready to be at the table and do our best to contribute to the solutions. I know that my views are shared with many of my colleagues at CHC's across the state and with our representatives at the Alaska Primary Care Association.

PREPARED STATEMENT OF JOHN F. NICELY, ANCHORAGE, AK

Senator, the Choice Program is wrong for Alaska. I needed a simple eye exam and called my doctor at the VA. She sent the request to "authorizations" who informed me I needed to contact the Choice Card center to get an authorization to get the exam. I called the Choice program, which took 30 minutes on hold for them to answer the phone. When they came on the phone I was told they had not seen the request and for me to call back in 5 to 10 days to get an authorization.

This is so much hassle just to get an eye exam. In 25 years as a VA patient, I have never had so much trouble getting medical care as we are experiencing now; and I am not alone, as most all of the members of my Disabled American Veterans group are having the same problems getting medical care since the Choice Program started.

Thank you for your time in letting me vent on this problem.

PREPARED STATEMENT OF DANA PICTOU, VETERAN AND CLINICAL SOCIAL WORKER,
FAIRBANKS, AK

My name is Dana Pictou. I am a Veteran and a business owner. I provide mental health services to Veteran's and the Fairbanks community. I have been in the field for 23 years. I am currently in my own private practice with my wife.

Our clientele right now is mostly veterans in the Fairbanks Community. We started seeing Veterans on 5/21/2015. During this period the veterans were still tied into the VA system. By the end of June I received a notification that all veterans had to use Choice.

The Choice/TriWest program has been very good for us. They have been very efficient and I have been able to get Veterans in very quickly. Of course, we had to become a provider for the Choice program and that took paper work, tax ID and NPI numbers. That process did not take that long and we were accepted and put on the list.

I have several Veterans who really like the Choice/TriWest and find it very helpful. They now have primary care providers which they did not have before.

Communication is a big problem with the VA and Choice/TriWest. I have a client who did not change their address with VA to Alaska. So, Choice/TriWest was not able to authorize any visit to us. The person changed her address with the VA and it took about two and half weeks before the address change showed up in the Choice/TriWest program.

VA, Choice/TriWest do not speak to each other effectively. Especially in this modern day of technology. But for the most part, as a provider I am very satisfied with the program.

Second, as a veteran I decided to use the Choice/TriWest program to see how long it will take to get an appointment. I called the Choice/TriWest program to schedule an appointment with an optometrist. I called and was put on hold and after about 15 minutes I was able to press 1 and have a call back. Approximately, 30 minutes later I received the call and told them what I needed and where I wanted to go. I was told they would get back to me in about 3 to 5 business days. She told me they had to see if my chosen optometrist accepted the program. Three days later I received a phone call and was scheduled for the appointment where I wanted to go.

I did have the appointment and was told that the VA only pays \$130 for glasses. Can you tell me where you can go and get prescription glasses for \$130?

Again, Choice/TriWest came through without a hitch.

What I can see from my experience as a provider and as a consumer is the program does work. At least it did work for me and was very efficient.

Listening today with the testimonies from other Veterans it seems the Major Medical issues are more of a concern. No one spoke about mental health care today.

I do know Choice/TriWest has different departments: medical and behavioral health. I believe the behavioral health is working much better than the medical.

As a provider, I stay on top of referrals and make sure I call Choice/TriWest to get the veterans in as soon as I can. I believe some of these other providers probably need to do the same, especially while the VA is going through a major overhaul as it is.

Here in Fairbanks, there is a very big need for mental health providers. By cutting the Choice/TriWest program I would not be able to serve this population. This program needs to stay in place, at least the behavioral health portion.

PREPARED STATEMENT OF JAMES POUND, KENAI, AK

First let me take this opportunity to thank you, your staff, Dr. Shulkin, and his staff for listening to Alaskan Veteran's. I attended the meeting held Monday, July 24, 2015 in Kenai. Obviously the Choice program taken from Alaskan ideas is now not working. I would like to suggest a review of the basics in the legislative process which may resolve the problem.

Senator Sullivan, your introduction to politics was from the administrative side: Attorney General and Commissioner. Both positions exposed you to the legislature and the administration at the state level. What I believe it may not have exposed you to is the bureaucrats that work behind the scenes often advancing their own agenda.

I have experience in the Administrative Regulation Review process and find it amazing how a bureaucrat can interpret statutory language. A review of the CFR on the Choice language may provide some answers to what went wrong. Language in the Choice Bill ended up being changed in the regulatory direction for managing it. I am not indicating that anything was done illegally, only that it is a part of the process that needs to be constantly reviewed in all administrative departments.

Since it appears that Dr. Shulkin is interested in fixing the problem nationwide, even though he will not grant an exemption for Alaska, perhaps the regulation review can be handled internally out of his office with guidance and notification to your staff.

Again thank you for allowing me to submit written testimony on the subject of the Veteran's Choice Program.

PREPARED STATEMENT OF JAY PROETTO, HAINES, AK

Per conversations with staffers at Senator Sullivan's offices in Anchorage and Washington D.C. I am providing the following comments on concerns regarding the ill-advised and poorly implemented Veteran's Choice Program. I very much appreciate the opportunity to provide input and appreciate the opportunity to give the following. I am furnishing my contact information so that I may be informed as to the proceedings, outcome, and progress in this matter.

I am John Jay Proetto, a USAF veteran. I served from January 1967 until January 1971 and received an honorable discharge for this service. I was a flight medic and saw action in Viet Nam. I enrolled in the VA Medical system in 2004 while a permanent resident of Skagway, Alaska. During the time my permanent residence

was in Skagway I was able to visit the clinic there with authorizations from Integrated Care in Anchorage through requests from my primary VA physician at the Juneau Clinic. The Skagway Clinic did and does not have a resident physician, it is staffed by Nurse Practitioners.

In July 2014 I moved to Haines and advised VA of the move. They then assigned my primary care to the SEARHC Clinic in Haines, where there are physicians. I have full confidence in the care I receive at this facility. Certain necessary tests and procedures may need to be done elsewhere (example: I had to have a test in Anchorage because the procedure could not be done closer to my home). This I understand. My physician and I work closely with VA Anchorage (Integrated Care) and the Juneau VA Clinic to maintain current and proper authorizations. I understand my situation is secure until the end of the current fiscal year, September 30, 2015.

It appears that no one directly connected with my medical care knows what will happen beyond September 30, 2015. It also appears that a reasonably good system in Alaska has been used as a model for changes in the VA system nationwide, ironically screwing things up by adding unnecessary paperwork, complications, and stress generated by uncertainty. I have contacted Integrated Care in Anchorage, the AK Veterans' Service Offices in Anchorage, SEARHC in Haines and SEARHC Administration in Sitka and Juneau. No one at any of these offices knows how "Veterans Choice" will affect me in my situation, nor thousands of others needing care. This is beyond ridiculous.

Veterans Choice in response to scandals in the lower 48 states is an attempt to give veterans what they should have had all along. It is modeled after an Alaska system that Alaska Veterans and veterans support organizations fought long and hard for. I am poor, I cannot afford to travel. I am happy with my current doctor and the staff at SEARHC in Haines, Alaska.

TELEPHONE STATEMENT FROM SAMUEL SENNER, ANCHORAGE, AK

[Mr. Samuel Senner called the Washington, DC, office regarding his experience with the Choice Program. Mr. Senner stated that he would be glad to speak with someone from the office or provide any advice that would be helpful during the anticipated reworking of the program.]

Call regarding VA Choice Program: Disabled veteran issues with Choice Program. Spoke at length in person with Rep. Mia Costello. Knee surgery and had total knee replacement recently, which led to lower back pain. He spoke with Choice and was authorized to see a chiropractor. The Choice representative was authorized to schedule it and would contact him after 4 days. After 1.5 weeks of no response, he called back and spoke with another Choice rep who stated that his authorization was in the system, there were no problems, and told him to schedule the appointment and everything would be taken care of.

Mr. Senner made the appointment, but heard nothing. Fortunately, he landed a great doctor who said he'd help regardless of the VA's response. After no response from VA after another 1.5 weeks, Mr. Senner called and spoke with supervisor, April Gray (Grey?). Same story: very nice and promised a lot, but nothing in response.

He never received a Choice Card (promised by several reps) and never received call back from Choice reps.

After 2 months since the initial contact with Choice Program, his doctor found his approval in the system, but he had never been contacted by the VA to let him know that his request had been approved. Never once received a call back from Choice.

Mr. Senner stated that the Choice reps are wonderful on the phone, but never actually responded or held up on their promises.

He was offered to speak with someone from their office on this issue, or offer advice as needed.

PREPARED STATEMENT OF GLENN SHIELDS, DELTA JUNCTION, AK

As a veteran who served over 20 years in the army, I would like to add my comment on the VA. I've lived in Alaska for many years and have received treatment from the VA.

I recently needed to get refills on some of my medication, and I've never had any trouble at the Fairbanks VA clinic before, however now I was refused and told that I had to get my meds from the clinic where I had been getting them due to a recent change.

I think that a veteran should be able to get medicine at any VA hospital or clinic. I'm not happy with the VA Choice Program.

PREPARED STATEMENT OF RICHARD L. STEVENSON, WASILLA, AK

My experience to date on the VA choice medical program for outside medical needs.

The first reason given for choice medical card was, it was for any VA patient 40 miles or more from a VA hospital or medical center, to go to a private provider outside the VA which I qualified. Notification to the VA was still required. No notification was given to VA patients on the new program "choice" that you now had to call the choice phone number to receive VA medical attention from a medical doctor outside the VA I was half way through heart testing, when I was told I would have to wait until the Choice Program authorized my testing already approved by the VA I had no idea what they were talking about. I was already three years overdue, now I had to wait 14 more days for the choice program to kick in. No one knew anything about the Choice Program—not patients, VA personnel, nor private vendors. Only after a meeting at the Menard Sports Center with the VA director did I know what was going on. At the VA, the staff still did not know what to say to the VA patients, just that you had to call the number on the card. No notification, no training for VA staff, it was bad. Even when you called the Choice number on the TRI-West or Choice operators were not sure of what procedures to follow. There was a big disconnect between the VA and Choice people.

This system is not working for the VA patient. For instance, this is the way I understand a request to see an outside doctor VA patient asked to see, five days their VA provider for a medical need. The P.A. checks out the issues, they have to put a request in for a specialist, this is sent to the VA integrative care unit. This can take up to 7 days to be seen by an R.N. for approval. Integrative care calls VA patients, tells them to call the VA Choice Program. You call, the Choice Rep's go through 15 to 20 minutes asking questions they should already have. If the rep. knows what to do they will not transfer the VA patient. My experience is that three out of seven times I was helped, it took 9 more days before the Choice agent got back to me with an appointment. That is 21 days that went by to just get an appointment. It can be longer that you have to wait for the appointment. This is two times the VA would take. That is bad. Another issue I have come across was that the doctors I had been seeing for my conditions will not sign up to the Choice Program. So far three doctors the VA has sent me to are not and will not be part of the Choice Program. The Alaskan Heart Institute finally did sign, but they didn't at first.

As a veteran, using the VA, I do not see how the VA Choice Program can be a proactive move for their health. The VA is hard enough to understand and work with. Now the Choice Program is not about our health, but financial management. Please fix the VA system, do not add more road blocks.

 PREPARED STATEMENT OF AARON SWAIN, CASE MANAGER, ADULT BEHAVIORAL HEALTH, KENAI PENINSULA, AK

My name is Aaron Swain. I'm a United States Navy Veteran, I come from a service family, and my brothers and I chose to serve. We have gone through screenings, assessments, and programs to receive benefits.

Speaking from my own experience, the Veteran's Choice program is one of the best changes to the VA/VB system since I enrolled in 2008. It took 5 years for me to get into see a provider, and then the services were only available if I booked months in advance. I worked with coordinators and representatives to get what little services I can. The Choice program reduced my wait time from almost a year to just over 3 weeks. With the introduction of another limitation, mandating that all our services go through specific providers, this is going to increase our wait times and reduce the efficacy of services. Veterans served their time, how does it make sense to make them wait longer?

I'm an Alaskan by birth. I was born in Soldotna, raised in Sterling, graduated from University of Alaska Anchorage through an extension site at the Kenai River Campus, and live on the Peninsula. I work for a community mental health clinic and I buy local before I go to a franchise. I've lived here my entire life and my experience with Native Corporations has shown me that they are not about equality, which Veterans fought, bled, cried, and died for, but rather for entitlement. Natives will have preferential treatment at these facilities because that is their purpose, as a way to reconstitute the domination and removal of their culture. This means that non-Native Veterans will have to wait until there is an availability for them to be seen. Like I said before, we did our time and paid our dues. So, why do we have to wait to be taken care of now?

The Choice Program, is about CHOICE. I chose my optometrists, my councilors, and my primary care physician. I found the services I needed through providers I trusted while maintaining a limit on the amount I cost my fellow tax payers. I find my therapeutic relationship with my providers to be more important than the services they provide. Saying that I can only receive services from a specific hospital is not a progression in treatment, but a regression in systems—back to when Veterans were bussed from the Kenai Peninsula to Anchorage to go to specified providers. This was expensive, time intensive, and did not meet the needs of the Veterans. These providers have a policy to bump non-Natives from services for their target population. They receive grants and incentives to do this. This does not promote Choice, recovery, or a sense that the system is going to be helpful.

In summary—I have waited long enough for my services. I have jumped through hoops and stood in line. By saying I have to go to a hospital with a racial bias before I can see a doctor tells me you want me to wait longer. This is not a choice. This is a restriction.

PREPARED STATEMENT OF JAN TROJAN

As an Alaska rural health specialist (a volunteer) I have already received numerous complaints on the veterans Choice card. Mostly, that services preapproved have been denied. As I understand the process 10 million dollars were removed from Alaska Veterans Health system to be put in the veterans Choice card.

Susan Yeager had fixed Alaska! She was the director of the Alaska VHA. This took 10 million dollars entitled to health care for the Alaska veterans and placed it into a new program. Advertising, administration, and equipment was then used with veteran health care funds, only to confuse and deny veterans medical care. I have given my documentation to Senator Murkowski's office. Denial letters to include my own.

Alaska is the last frontier and when the Alaska VA fixed our system this new improved system only wasted money that was supposed to go to the veterans as health care not another layer of bureaucracy.

PREPARED STATEMENT OF SUSAN WILLIAMS, REPRESENTING A FEMALE VETERAN,
CHUGIAK, AK

Concerns:

- She was told by Choice Staff on the phone that urgent requests are not dealt with quickly.
- TriWest only down loads referrals once a week I was told by staff at Choice.
- Because of the slow action for her Physical therapy to be scheduled she is not recovering and this affects her and her family.
- This testimony was submitted to Sen. Sullivan's public testimony site with her permission.

PREPARED STATEMENT OF DAVID S. ZUMBRO, M.D., ALASKA RETINAL CONSULTANTS,
ANCHORAGE, AK

This letter is to describe how the implementation of Veteran's Choice affected the delivery of retinal care in Alaska.

We are the only retina specialty group in the state of Alaska. We diagnose and treat several common retinal diseases to include age-related macular degeneration, diabetic retinopathy, retinal detachments, and eye trauma. No other optometry group or ophthalmology group in the state is qualified to treat these conditions as we do. Patients that require treatment for such retinal problems either see us or have to travel out of state.

When Veteran's Choice was abruptly implemented, the ensuing confusion and chaos necessitated us canceling at least half a dozen planned surgical procedures and multiple clinic visits. It has also resulted in one of our employees dedicating the majority of her time during the day simply helping our veterans navigate the confusing bureaucratic morass known as "Veteran's Choice."

It seems logical that a program designed to help veterans get access to medical care should be implemented only when it actually does what the administrators promise. It is the confusing bureaucracy that interferes with veteran's access to retinal care, not the conduct of my practice. In fact, as a retired Colonel in the U.S. Army, taking care of our Nation's heroes is one of my passions. I suggest that in the future when the VA leadership initiates similar programs, they do so with more

transparency and less abruptly. Otherwise, veterans suffer needlessly. The VA leadership also needs to quit patting themselves on the back until this program works as promised.

