



CONCERNED
VETERANS
FOR AMERICA

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before the

Senate Committee on Veterans Affairs

concerning

The Veterans Choice Act: Exploring the Distance Criteria

Chairman Isakson, Ranking Member Blumenthal, and Members of the Senate Veterans Affairs Committee, thank you for the opportunity to be here today and testify on this important topic.

My name is Pete Hegseth and I am the CEO for Concerned Veterans for America, an organization of veterans and military families dedicated to fighting for our nation's veterans; specifically—today—by pushing for reforms to the way healthcare is delivered to America's veterans.

Our organization represents a growing number of veterans and military families who refuse to accept the broken status quo. For too long, promises have been made, and too few have been kept. Implementation of the Choice Card is a perfect example. There are currently millions of so-called choice cards in the hands of America's veterans; but rest assured—for a myriad of reasons—there is still little choice. Hence, today's hearing.

In August of last year, President Obama signed the *Veterans Access, Choice and Accountability Act* that established a temporary “choice card” program. We understood then, and fully recognize now, that the law was never designed to be a panacea. It was a first step. But rather than take that step, the VA has stumbled. Worse, it's barely tried to walk—undermining the intent of the choice law through what we believe has been confusing and disingenuous implementation.

No need today to re-litigate the litany of VA scandals over the past year—and much longer. As you know, many of those revealed scandals had to do with access and appointment scheduling practices that masked real, egregious, and in many places criminal wait times for America's veterans.

The *Veterans Access, Choice and Accountability Act* – specifically the Choice Card – was intended to address this access problem, extending the possibility of private care to veterans who wait more than 30 days for an appointment and/or reside more than 40 miles from a VA

facility—including a Community Based Outpatient Clinic (CBOC). But ask any veteran here, in my organization, or across the country, and they'll tell you that, rather than access and appointments getting easier—the process is confusing, frustrating, and still unacceptably long.

The primary implementation impediment has been VA's interpretation of the law; specifically their decision to restrict the use of the Choice program to those within 40 miles of a VA facility, *even if that facility does not offer the care needed*. The law states that veterans are eligible if they reside "more than 40 miles from the medical facility of the Department, including a community-based outpatient clinic [CBOC], that is closest to their residence." VA has taken this quite literally—drawing 40 mile, "as-the-crow-flies" circles around every single VA facility, thereby chocking out choice.

But, as we all know, many CBOC and small VA facilities do not offer a full range of medical coverage. As such, it is often the case that veterans are denied the use of the Choice Card because they are less than 40 miles from a CBOC, despite the fact that they are unable to receive the care they need from that facility. Instead, they still must drive hundreds of miles to receive care—even though, if the Choice Card was used properly, they could get it in their local community.

This is illustrated well by a recent call my organization received from a 100% disabled veteran from rural California. This veteran lives less than 10 miles away from a CBOC, which he often utilizes. However, that clinic is unable to provide some of the more substantial health care services he requires—ranging the eye-doctor to podiatry. For these services, he still travels well beyond 40 miles—often over 100 miles one way.

Common sense—and good faith—would tell us that he should qualify for the choice program. But he does not. When he calls the Choice Program information line, after waiting on hold, he is repeatedly told he doesn't qualify. Finally, because there is no clear-cut appeal process—he has no recourse for appeal. So, he gave up—and still drive long distances and waits too long.

No explanation. No customer service. No common sense. No appeal. Instead, the VA scheduling gatekeeper tell him what he gets, where he gets it, and when he gets it. He has a Choice Card, but no choice. Nothing has really changed.

His story is powerful because it's the norm. It's powerful because it's the same as hundreds of thousands of other veterans in America. They thought they had choice because they *know* they live more than 40 miles away from where they actually receive care—but VA's "choice gatekeepers" on the other end of the phone line determine otherwise.

Technically, VA's implementation is in line with the letter of the law—something CVA warned about when the reform law was first passed. Without strict guidelines, we believed VA would bend the rules in their favor—which is exactly what has happen. As a result, VA has undermined the clear *intent* of the law. They have met the technical requirements of the law while fundamentally undermining the spirit and intent of the law. As I said, lots of choice card—but no choice.

Moreover, VA's attempts to strip—excuse me, *reprogram*—funding away from the Choice Program have come almost immediately. Why? Because, as VA has pointed out, only 26,000 veterans have yet to use the program. Why such underutilization? According to Helen Tierney—assistant secretary for management at VA—they have “a strong indication that this [private care] is not veterans’ preferred choice” and they “would prefer to remain in the VA” for their care. Ms. Tierney—a 2014 appointee with little previous health-care or veterans’ experience—offered no supporting evidence for these sweeping assertions.

The opposite is true—veterans want to use the program, because they want choice. A recent VFW survey on the Choice Program found that 80 percent of their members who should qualify for choice said they were not afforded the choice to receive non-VA care. Almost all of their 2,500 respondents were interested in getting private care. Our nationwide polling of veterans also shows the exact same desire. Veterans want health care choices—in fact, 90% do. 77% want options outside the VA system—even if they have to pay more out of pocket.

So, while individual veterans want choice, the powerful VA bureaucracy does not. Rather than implement Choice Program reforms diligently, VA has delayed implementation and erected technical barriers to private choice. As a result, few veterans have been able to yet exercise that choice, which is when VA publicly claims veterans actually don't want choice. Finally, under the guise of “doing what veterans want,” VA leadership is now attempting to strip the funding—and we know what that means. Using classic bureaucratic tactics, VA is attempting to write its own self-fulfilling prophecy in order to keep veterans inside the system.

History tells us that no bureaucracy can be trusted to reform itself. Only strenuous oversight of the current law by codifying reasonable and common-sense distance and time parameters—and further reforms that expand choice by truly empowering veterans to choose—will ensure that veterans get what they crave.

In a larger context, we see these problems as part of misaligned incentives and priorities at VA. The choice program did not fundamentally shift these incentives; it merely worked around the edges of a system that has much deeper problems. The Department's incentive is to funnel veterans towards VA hospitals, regardless of the needs of the veteran. VA is VA centric, rather than veteran centric. The interests of VA are not necessarily the same as the interests of veterans.

This is why, in our recently released the *Fixing the Veterans Health Care* taskforce report, we proposed to put the veteran at the center of their own health care choices through the Veterans Independence Act. In our proposal, the veteran is empowered to choose the health care products that serve them best. Our plan would build a premium support mechanism—the same one VA employees have—that would allow eligible veterans to make their choices in health care. How ironic is it that VA employees have health care choices, but not veterans? Or, for that matter, Senators here today have health care choices—but veterans do not?

Our idea is simple, and long overdue: allow the healthcare dollars to follow the veteran while recognizing what VHA does best—and liberating it to do those things. I hope you will all take a look at our bipartisan report, which I will submit for the record.

The *Veterans Access, Choice and Accountability Act* remains a good first step toward real choices for veterans—provided VA is held accountable to deliver real choice. And that starts with codifying what 40 miles really means, and for that matter, what really constitutes a 30 day wait. Until then, the choice cards millions of veterans have won't be worth the government paper it was printed on.

Thank you for the opportunity to testify on this important issue, and I look forward to working with this committee to advance real choice for our veterans. I welcome any questions. Thank you.