

Statement of
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Introduction

Senator Hirono, thank you for the opportunity to testify at today's Senate Veterans' Affairs Committee field hearing. It is an honor to join you, Secretary McDonough, and my fellow panelists for this hearing.

I have been asked to share about TriWest's experiences working in collaboration with the Department of Veterans Affairs (VA) on the Veterans Community Care Program to ensure Veterans have timely access to high quality care in the community when appropriate, and specifically what we are doing to help VA meet Hawaii veterans' health care needs as well as to identify some improvements that could be made in order to better serve Hawaii's veterans. To do that properly, I feel compelled to give an overview of the journey that has brought us to this point... a journey that has been grounded in our collective desire to keep faith with our nation's heroes and made possible as a result of the fully engaged leadership of yourself and the other members of this Committee.

I am pleased to be joined today by Karl Kiyokawa, who has served as our company's market Vice President for the Pacific for the duration of the time we have been serving the islands. He leads a team located here in the Islands that is focused on providing the support needed by VA, Veterans and Providers to make our work a success. We are here to support, not replace, VA in the fulfillment of its responsibility to provide care to our nation's Veterans or to coordinate it and oversee it when it needs to be delivered in the community. And, we are honored to do so.

Background on TriWest

Established more than 25 years ago by a group of non-profit Blue Cross Blue Shield plans and two university hospital systems, TriWest Healthcare Alliance's sole purpose for existence is to leverage their substantial and mature provider networks to support VA and the Department of Defense (DoD) in meeting the health care needs of our nation's heroes... members of the military and Veteran communities. One of these entities is Hawaii's own HMSA.

Since our inception, we have worked collaboratively and in support of the federal government agencies we have been privileged to support, giving them the elasticity they need to meet the health care needs of those for whom they are responsible on behalf of a grateful nation... military service members, their families, retirees and Veterans. Our mission has been – and continues to be – doing “Whatever it Takes” to ensure our Nation’s heroes and their families have ready access to needed care when the federal systems on which they rely need to leverage the elasticity of community providers.

Our first 18 years were spent supporting DoD in standing up and operating the TRICARE program in a 21-state area, which included Hawaii. I am proud of the work we did to assist DoD in implementing, maturing and refining TRICARE to meet the needs of nearly 3 million beneficiaries across the TRICARE West Region who relied on us for services and support. Beyond the care made accessible and the strengthening of DoD’s direct care system, we led the re-engineering of claims processing to take DoD from the worst payer to the fastest and most accurate payer, as well as successfully pivoted to support the war time footing following the attacks on 9/11.

That experience prepared us for the next leg of our journey, as we came to the side of the Department of Veterans Affairs to assist it in consolidating the purchased care support and claims payment just as the DoD had done 18 years earlier. Knowledge of the needs of those in the process of separating from the DoD and headed to the doorstep of VA, particularly those of our generation, was all the motivation we needed to want to roll up our sleeves fully and come to VA’s side as a partner, as we had been to the DoD, as it took on the task of re-tooling itself for this generation of Veterans and the next.

In September 2013, we were awarded the Patient-Centered Community Care (PC3) contract for the 28 states, including Alaska, Hawaii and the Pacific Territories. And, this leg of our journey began. PC3 was a nationwide program designed to give VA Medical Centers (VAMC) an efficient and consistent way to provide access to coordinated care for Veterans from a network of credentialed specialty care providers in the community when VA was unable to deliver the care directly. With 90 days to begin operations, we immediately tapped into our “Whatever it Takes” ethos and our strong commitment to partnership, and leveraged existing networks and strong relationships to deliver a network and stand up the operation and begin providing services.

The work to stand up the PC3 program in Hawaii took a bit longer as we and VA had to come together to shape and put in place the underlying processes that would be needed by VA staff to make for success. The months invested together yielded the intended outcomes and have provided the strong foundation that we continue to draw on together as we successfully stood up our collective operations and coordinated on processes, have migrated through several program changes, stabilized our work and

are now focused on a few refinements as we endeavor to mature our work together in support of Hawaii's heroes.

Building, Expanding and Refining VA's Community Care Program

PC3 was simply the first building block for what needed to be in place to give VA the consolidated and effective tools that it needed and sufficient community care elasticity to enable VA to deliver on the full spectrum of needs in a timely and effective manner for Veterans. We had 90 days to construct the needed network so that the program could begin operation in January 2014.

It quickly became apparent that a network of primary care providers needed to be added to the network of specialists to provide VA with the full spectrum of services for which they needed elasticity to meet demand on a timely and convenient basis. We had 90 days to do so. So, we leaned in at VA's side and began to stand up a primary care network across our 28 states of responsibility... including here in Hawaii.

Then, in April 2014, in the midst of our expansion of PC3, an access to care crisis erupted at the Phoenix VA Medical Center which revealed the fact that 14,700 Veterans were on a wait list for care at VA. This spurred immediate action on the part of the Obama Administration, capably led by now Secretary McDonough, and a broad group in Congress... as the challenge was found to be present in more than Phoenix.

As Phoenix is in our geographic area of responsibility, we leaned in fully as well. After a short assessment period, we and VA developed a 90 day plan to see to it that all of the Veterans in those lines received needed care by August... including the more than 3,000 prostate cancer patients. VA served who they could and our network in the community served the rest... with VA fully coordinating and overseeing the effort.

As you know, that crisis spawned a legislative response by Congress, and we were handed the Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146) in August 2014 with a 90 day time frame for implementation. Working once again in close collaboration with VA, we were able to design and implement the Choice program within the statutory requirement, by November 5, 2014. We successfully created the infrastructure, hired and trained hundreds of staff; sent Choice cards to 4 million Veterans in our area of responsibility; and operationalized a state-of-the-art contact center making sure that callers to the toll-free line were greeted by the voice of then-Secretary McDonald to underscore the importance of this new initiative and the expanded access it was intended to provide to augment VA's direct care footprint.

However, it soon became apparent that we had only begun our collective work if the measure of success was whether VA was fully positioned to effectively and efficiently meet its mission of caring for those to whom the nation owed so much... both those who

responded to the nation's call following the bombing of Pearl Harbor on December 7 and those needing to look to VA for care who had responded to the nation's call in response to the events of 9/11.

Congress and VA embarked on a journey for more than a year to study what was needed, write the roadmap, and fashion the first legislative package... known as the MISSION Act... to define the framework for which VA and we would begin improving and consolidating VA's multiple community care programs. It has defined standards for all to follow and produced a roadmap into the future, which we are all working to follow in order to make good on the nation's renewed commitment to its finest. And, indeed, you recently added categories of presumptive eligibilities for disease and illness and instructions as to population sets to ensure that we are reaching and serving the needs of all those who should be able to look to VA.

As the volume of care being provided in the community began to grow in an effort to fully meet the need, some major gaps were exposed. Rather than turn our back on them, leaving the Veterans to suffer the consequence, we and VA rolled up our sleeves and got to work.

The following were among the major gaps.

First, because some of the care was still being facilitated through legacy direct agreements between VA and community providers, there was confusion as to where providers should file their claims and there was a wide variation in requirements and performance. Agreement was ultimately reached that the care in the community networks needed to be consolidated and that the responsibility for paying providers for the care rendered should be the contractors' and that VA should reimburse the contractor and oversee their adherence to standards.

Unfortunately, we soon found ourselves facing a backlog in reimbursement for claims paid as the volume overran the systems and staff in place to process them... building up to a total owed of nearly \$250 million before we were able to bring it to resolution. I am pleased to report that VA continues the solid performance fashioned... and has consistently been reimbursing us within 7 days of filing our invoices.

Second, the length of time from the identified need for care to the time at which care was provided was found to be twice as long as desired... a total of 180 days. Frankly, there was work to be done by both we and VA... as we were each responsible for 90 of the 180 days. So to work we went dissecting the pieces, developing a plan, and the executing in our own lanes. It took a great deal of effort, but we were successful in getting our part of the process to within the contract standards.

Third, there had historically been a challenge with seeing to it that providers returned the medical documents of the care provided and their notes to VA so that it could be placed in the Veteran's medical record and useful to the referring VA provider to inform their follow up with the Veteran. We were on our way to seeing progress, as a result of using all the levers available to us... including not paying them for the care rendered until they returned the medical documentation. It was starting to be met with success, but those struggling with the requirement objected and it was reversed and VA took back over responsibility for gathering medical documentation. It is our understanding that there is a desire to revisit the topic as progress in this critical area has unfortunately proved to be elusive to VA.

In September 2018, just as we were starting to catch our breath, VA informed us they would be letting Health Net go as the other PC3/Choice contractor, and that VA needed us to step up again by supporting them across the rest of the country until they could stabilize the system and conduct a procurement process to find a replacement and allow that new entity the time to stand up and stabilize its operation. Committed to this nation's Veterans and believing it was critical that VA survive, we accepted the challenge and agreed to begin this next vertical climb after a 90 day planning cycle... provided that we would do it as a team and start implementation on December 7 as way to honor the nation's World War II Veterans. Together, we collectively kept faith with those whose service inspires us and in just 90 days expanded our infrastructure, scaled our operation, delivered a nationwide network of community providers to support VA in serving 9.2 million enrolled Veterans in all 50 states and territories, and added \$500 million in working capital to be able to pay providers claims for services rendered.

At its apex, we provided VA a consolidated network of over 639,000 individual providers offering more than 1.2 million access points of care. Monthly, we were receiving more than 400,000 requests for care in the community and handling roughly 700,000 calls. And, we were processing and paying clean claims within 18 days with an accuracy rate of 96 percent.

Having together now scaled and stabilized the needed community care network, we were asked to design and implement an urgent care network that would make access available within a 30 minute drive from the Veterans home to basic services including at night on the weekends. Armed with a successful pilot project and a jointly developed plan, we set out on a 90 day construction process resulting in 98% of this nation's Veterans being afforded access to such care within a 30 minute drive regardless of where they reside.

We did what was asked of us, and VA could now complete the process of procuring for the next generation of this privileged work... including the selection of the company that would be Health Net's replacement in the other part of the country. That selection was made and our job was to keep things stable until they stood up their operations and we

had successfully transitioned the work in their area of operation. While it took a bit longer than anticipated, we ultimately transitioned the work to Health Net's replacement.

Subsequent to our national expansion implementation, we were honored to have been awarded the contract for Community Care Network (CCN) Region 4 in August 2019 and CCN Region 5 in October 2020. Recently, the Region 4 contract was amended to include coverage of the Commonwealth of the Northern Mariana Islands, American Samoa and Guam. Currently, we continue to collaborate closely with VA in the regions we serve.

Just as we were beginning the transition to the next contract platform... CCN, COVID hit. It challenged us all, but we have successfully weathered that challenge and if things stay stable should be at the back end of dealing with the backlogs that built up and seeking to find our new normal.

Now that the program platforms are relatively stable, we and VA are ingesting a myriad of changes and improvements that Congress has made available, and will be doing so for some time as we continue the journey toward the desired state for this next generation and the next.

We are honored to have been a teammate of VA since 2014, and all that we have weathered and accomplished in support of those who deserve our very best. We are proud of the fact that soon our network will have delivered more than 50 million health care encounters in support of VA and the heroes to which they are entrusted. We are paying more than 99% of clean claims in the required 30 days... 96% of them in just 5 days. And, VA is reimbursing us within 7 days.

Together, we have strengthened VA's ability to deliver on its mission.

But, just has been the case thus far, work remains to be done to complete the transition to the desired state for this generation's Veterans and the next, and to fully achieve the performance we expect of ourselves.

Here in Hawaii

Here in Hawaii, specifically, our network has more than 5,600 credentialed community providers consisting of more than 370 primary care providers and 5,100 specialty care providers offering nearly 8,600 access points of care. We thank them for stepping up and being part of VA's team caring for Veterans.

The community care network in Hawaii has received more than 58,000 authorizations and provided over 55,000 appointments. This includes more than 4,600 authorizations and 4,100 appointments for dental care; over 1,900 authorizations and 1,900 appointments for

mental health; and, over 3,600 authorizations and 3,400 appointments for complementary and integrative health services.

On average this year, we are processing and paying 99% of clean claims for Hawaii providers within 5 days rather than the required 30 days.... with the goal of being their fastest and most accurate payer as a thank you for serving Veterans.

We are currently working with VA to convert their direct contracts with dentists over to the consolidated community care network we manage in support of VA. In doing that, we are collaborating to resolve any outstanding claims issues those providers may have with VA.

In addition, we are completing the task of working through the remaining challenged claims from the conversion we made in claims processors. We regret any difficulty that has been encountered by providers and their staffs as we make our way through the list, and have a team that is focusing just on the providers in Hawaii and Pacific Territories to bring any remaining ones to resolution by the end of the month.

As there are still more claims being filed in error than we would all like, we are going to be making some refresher training available to the providers and their staff in Hawaii and the Pacific Territories. At that time, we would also like to facilitate enrollment in electronic submission and payment for those that have yet to avail themselves of those programs designed to speed up payment.

We also believe that it would be sensible for Congress to revisit the unique requirement of providers that they file their claims in 180 days. The fact that all other programs (Medicare, Medicaid, TRICARE) and the private sector allow up to a year is posing a very real challenge for some providers, and denials for “timely filing” is the number one reason. Perhaps this is a budget artifact that has outlived its usefulness and should be removed.

Moving Forward

In our constant effort to better serve VHA, local VA facilities, Veterans and community care providers, we continue to work closely with VA on a number of key initiatives designed to improve the Veteran experience and the provider experience – both within the community and in VA – and to enhance VA’s capacity to deliver needed health care services. We would like to highlight a few of these initiatives.

Customized network and support — We redesigned our engagements with VAMC staff and leadership to achieve greater effectiveness, improve issue management, and attain higher satisfaction among our partners at VA.

Though this new model requires resources and reengineering on our part, it allows us to provide a more consistent, tailored and direct engagement with VA, VISNs, and VAMCs to focus and continually improve core items such as network adequacy, including access

by specialty by geographic areas, efficient network utilization, timely appointment scheduling, and provider changes that may impact health care delivery. Equally important, this model also promotes issue identification and resolution through close collaboration, careful review of relevant information and meaningful feedback.

Specific to Hawaii, we recommend further consideration be given to ways to provide increased access to care closer to home for those Veterans living in the Pacific territories. As all of us in this hearing room know, there is a limited amount of access to health care in Hawaii – both in the private sector and at VA. Increasing access points for other Pacific locations would reduce some of the current burdens on the HI health care system and more importantly, on Veterans.

For example, one solution for providing increased access to care for Veterans in Guam and the Commonwealth of the Northern Marianas Islands could be the establishment of a carefully developed network of high-quality health care professionals in the Philippines and providing access there rather than having to travel to Honolulu and put further strain on an already constrained delivery system.

Community provider education and training — Our work in support of VA's health care mission also focuses on community provider education and training. In our communication with community providers, we continually promote VA training and urge network providers to take advantage of free training on Veteran culture, opioid safety, preventing suicide through lethal means safety & safety planning, and other topics that help providers understand the unique needs of Veterans.

We also provide webinars related to claims submission to improve claims payment accuracy and timeliness, appointing and approved referrals/authorizations, urgent and emergent care, and other CCN processes and procedures.

Based on the fact that many health care providers in Hawaii may have small practices with limited staff and/or be located in more rural or remote areas, we know that it may be difficult to keep up with the different claims submission and authorization requirements of different health care programs. One improvement to address this reality we would like to offer is more personalized training on CCN authorization and claims processes and procedures for community providers in Hawaii. We propose collaborating with VA to provide in-person training at locations where it is most feasible and online training for remaining locations. We know from past experiences that such personalized, location-specific training can be invaluable in assisting community providers with thoroughly understanding program requirements and obtaining timely claims payment.

Closing

Through over a quarter of a century operating in support of DoD and VA, we have steadfastly sought to work very collaboratively to deliver tailored solutions designed to best meet the needs of those we serve. Through these efforts, we have developed crucial experience in helping these systems implement and mature their programs to

provide timely and convenient access to quality health care services. Our actions over the last 25 years demonstrate our commitment to providing the military and Veteran communities, Congress, and the federal government our full support as we continue our work alongside VA, helping Veterans remain active members in the community. This is sacred work for us. Our mission is to serve those in need, ensuring they have access to the right services and health care providers while also supporting community care providers fully as they serve the needs of our nation's heroes. It has been, and remains, our honor to be engaged in this most meaningful work.

I would be glad to address any questions.