Statement of

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before the

Senate Veterans Affairs Committee

concerning

Consolidating non-VA Care Programs

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Thank you Chairman Isakson, Ranking Member Blumenthal, and Members of the Committee. I appreciate the opportunity to testify at today's hearing on how to consolidate non-VA care programs to ensure veterans receive the care they need without delay and to review the adequacy of the recently released plan to consolidate seven programs of the Department of Veterans Affairs (VA) into one non-VA care program. Your leadership on this issue is critical to ensure that the plan is well thought out and deals with the root-cause problems, so that veterans truly get a real choice that provides them the timely, convenient and quality health care they deserve.

In the interest of full disclosure, I am a Commissioner on the Commission on Care, but my testimony today reflects Concerned Veterans for America (CVA) and my own personal observations. In no way does my testimony reflect, nor are they representative of, the Commission, the VA, or the Administration. The views I present here today are entirely my own.

CVA agrees that it is very important to consolidate all of the various purchase care programs into one New Veterans Choice Program. This single program needs to be simple, effective, fiscally responsible, practical, and feasible. Just as important is that the new program be veteran-centric and move toward *real* choice so that the Veteran is in control of how, when, and where they wish to be served - a stated goal of the VA in the past. [1]

[1] "The Road to Veterans Day 2014 Fact Sheet" http://www.blogs.va.gov/VAntage/wp-content/uploads/2014/09/RoadToVeteransDay_FactSheet_Final.pdf, accessed May 5, 2015.

Although we laud and appreciate the VA in coming up with a comprehensive plan in such a short time, after careful review it is our opinion that this New Veterans Choice Program does not meet the criteria listed above, and instead perpetuates the VA status quo. We feel that the proposal cherry-picks the work and intent of the Independent Assessment while ignoring the Commission on Care that was established by the authority granted in the Veterans Access, Choice, and Accountability Act of 2014. Stated bluntly, we believe that approval and implementation of the plan will lead to certain failure while costing the taxpayer billions and impacting negatively on veterans' health care.

VA has fallen back onto its old ways and developed a grandiose dream concept plan that does not deal with the reality and challenges it faces to stay afloat with its current day to day operations. Nor is it in line with Dr. Shulkin's recent comments that VA will shift the way it does health care by "[ceasing to] provid[e] services commonly found in the health care industry".[2] VA once again is doubling down on its previous failures by trying to over control all aspects of health care provision to veterans and expanding its health care operations into areas it does not have expertise in.

To illustrate our concerns, I will examine five key flaws in the premises and processes in the VA new Veterans Choice Program.

First - Implementing VA's plan would likely require a high-performing heath care organization, with the organizational capability and desire carry out the task that VA has set for itself. The Cleveland Clinic is possibly a model for the kind of modern, dynamic and flexible organization that would be able to implement such a plan. As it stands, VA's Veterans Health Administration (VHA) is a low-performing health care system that is based on socialized medicine, and which uses an antiquated HMO staff model. This state of affairs require broad-based and fundamental reforms to way VHA does business. It requires us to go back to drawing board and not add more layers on top of a crumbling infrastructure. Unfortunately, too many stakeholders are invested in perpetuating a dated and failing model rather than bringing VA into the 21st Century.

As the Independent Assessment has shown, VHA is clearly a broken health care organization that at best is treading water. Some examples from the Assessment include:

- "The Independent Assessment highlighted systemic, critical problems and confirmed the need for change that has been voiced by Veterans and their families, the American public, Congress, and VHA staff. Solving these problems will demand far-reaching and complex changes that, when taken together, amount to no less than a system-wide reworking of VHA."
- "As the assessment reports reveal, the number of issues VHA currently faces appears overwhelming."
- "VHA is in the midst of a leadership crisis."
- "VA/VHA health care systems are in danger of becoming obsolete."

[2] http://federalnewsradio.com/management/2015/10/va-pitches-fundamental-shift-veterans-health-care-congress/, accessed November 24, 2015.

- These shortfalls should not be viewed as individual anomalies, but rather manifestations of the systemic findings that plague VHA.

A further example from VA operations that highlights the situation is last year VHA made 85 million appointments but only completed 55 million appointments.

Recent headlines such as "Lapses in urology care at Phoenix VA endangered patients"[3] and "Florida Hospitals: VA owes $134 million in unpaid claims"[4] Does this sound like a health care organization that is up to the task that VA has set for itself?

Second - VA has provided a concept plan, not an implementation plan. Although it discusses some lofty goals, enumerates ideal operating principles, and makes great use of buzz words in its 121 pages, it is not grounded in the reality of day-to-day VHA operations nor tied to the way veterans access their care. VHA has a track record of coming up with great sounding plans that are never implemented correctly. The continuous stream of VA IG and GAO reports provides a good sample of VA's past implementation failures. VHA is also operating on the false premise that it is the medical home for the 5.8 million veterans it serves. This is not true. In most cases, VHA provides only the minority of their overall health care. As the Independent Assessment states, veteran patients reliance on VA ranges from "15 percent for all office-based visits to 34 percent for office-based laboratory services".

Third - VA gives lip service to the Independent Assessment's recommendations and its findings. Nonetheless, the plan does not truly incorporate the systems thinking or the four systemic findings approach. Instead, it continues a piecemeal approach that perpetuates its own goals by cherry-picking certain recommendations and ignoring the key supporting recommendations of long-term reforms that better serve the veteran. Once again it seems focused on what is best for VA. It relegates the Independent Assessment's approach of using a true integrated systems approach which would embrace the governance, data and tools, operations and leadership reforms needed to improve for the long term its health care operating model and provide the best value for its veteran patients.

Fourth - Veterans want real choice that is easy to use, clear eligibility criteria and access to quality private sector health care that meets their needs. According to an October 2015 Tarrance Group poll, 91% of veterans agree that it is important to give veterans more health care choices even if it means paying a little more out of pocket. The VA plan does not truly give the veteran more choices as it is more complicated and less veteran-centric. Instead it gives VA even greater control over the veteran, especially in the areas of eligibility and access using the proposed High-Performing Network – at the end of the day, VA still controls what the veteran is able to do

For example, page 42 of the plan recommends that veterans be eligible if they are more than 40 miles from a VA designated primary care physician (PCP). The 40 miles from a VA designated PCP is unrealistic because either the veterans true PCP is not designated from VA and/or their health care service needed is not based on the PCP. We believe a veteran should not have to

[3] www.stripes.com/news/veterans/va-ig-lapses-in-urology-care-at-phoenix-va-endangered-patients-1.373536, accessed November 24, 2015.
[4] http://www.miamiherald.com/news/health-care/article45269961.html, accessed November 24, 2015.

travel more than 40 miles from the point of health care serve needed. In terms of wait-times, VA is setting the system in a way that would allow them to further game the system and maintain control by having un-defined wait time goals for every service and leaving it up to the VA provider to decide if those wait-time are clinically necessary. This is a recipe for veterans being denied choice, in continuity with VA's track record.

On page 57 of the plan we see another example of the lack of choice for veterans in accessing the High-Performing Network. According to the plan, if VA can't provide the veteran their health care, then the veteran has a multi-step process with undetermined approval and time frames which could take months for each step. First, the VA has to search for another federal government or academic teaching affiliate in its core network. If that does not work then the preferred tier, then the standard tier. VA controls everything, the tiers, referrals, and the limited number of providers. The veteran becomes just VA's loyal subject. Where is the private sector choice and timeliness with this convoluted process? Furthermore, if you are a private sector provider would you want to deal with this tiered mess?

Fifth - The new Veterans Choice Program is extremely premature, especially in light of the charge Congress gave the Commission on Care in the Veterans Access, Choice, and Accountability Act of 2014. That charge included a mandate to "strategically examine how best to organize the Veterans Health Administration, locate health care resources, and deliver health care to veterans during the 20-year period". No one knows what the Commission on Care may come out with. It could be similar or it could be a whole different set of recommendations that are at cross-purposes with the VA plan. If the VA plan is implemented now in its current form, it could short circuit the existing process and possibly provide conflicting recommendations.

These are but a few examples to the flaws and challenges for the new Veterans Choice Program plan. So how should VHA proceed to consolidate its seven purchase care programs into one non-VA care program? CVA proposes the following three basic steps.

1. VA should focus on the immediate short-term need of consolidating its seven purchase care programs into one non-VA care program. This should be the temporary short-term new Veterans Choice Program solution. We believe VA is on the right path with Phase 1 in the plan. Phase 1 should be refined with the addition of an implementation and evaluation plan. The plan, formulated in conjunction with Congress, should ensure quick and transparent action of systems, process, regulations needed and should be done in consultation with the Commission on Care.
2. VA should refine the other phases of the plan in consultation with the Commission on Care using a true systems approach which embraces proper governance, data and tools, operations and leadership reforms needed.
3. VA should finalize the long-term new Veterans Choice Program only after the Commission on Care provides its finding and recommendations to the President and Congress and they have decided which recommendations are feasible and advisable.

Although it is tempting to move quickly on fixing and consolidating the existing seven programs of the VA into one non-VA care program, we must learn from the past and break the cycle of

reform and failure by having the right plan that deals with the root-cause problems and focuses on the veteran first, not the VA. 5.8 million veterans are depending on your leadership for this.

As President Theodore Roosevelt said "A man who is good enough to shed his blood for the country is good enough to be given a square deal afterwards." Let's make sure our veterans get the square deal they deserve on their health care.

CVA is committed to overcoming any and all obstacles that stand in the way of achieving what is best for veterans. We look forward to working with the chairman, ranking member, and all members of this committee to achieve this shared commitment.