

The Honorable Jonathan A. Perlin, MD, PhD, Under Secretary for Health, Department of Veterans Affairs Accompanied by: Robert Wiebe, MD, VA Network Director, VISN 21, Sierra Pacific Network James Hastings, MD, Director, VA Pacific Islands Health Care System Steven A. MacBride, MD, Chief of Staff, VA Pacific Islands Health Care System

**Statement of  
Jonathan B. Perlin, MD, PhD, MSHA, FACP  
Under Secretary for Health  
Department of Veterans Affairs  
before the  
United States  
Senate Committee on Veterans' Affairs**

**January 10, 2006**

Mr. Chairman and Members of the Committee, mahalo nui loa for the opportunity to appear before you today to discuss the state of VA care in Hawaii. It is a privilege to be here on **Maui**?the Valley Isle?to speak and answer questions about issues important to veterans residing in Hawaii.

First, Mr. Chairman, I would like to thank you for your outstanding leadership and advocacy on behalf of our Nation's veterans. During your tenure as Chairman of this Committee, you have clearly demonstrated your commitment to veterans by acting decisively to ensure the needs of veterans are met. In addition, I appreciate your interest in and support of the Department of Veterans Affairs (VA).

I also would like to express my appreciation and respect for Senator Akaka, Ranking Member of this Committee. Along with his colleague, Senator Inouye, Senator Akaka has done so much for the veterans residing in Hawaii and other islands in the Pacific region. As I will highlight later, his vision, guidance and assistance have directly led to an unprecedented level of health care services for veterans, construction of state-of-the-art facilities in Honolulu and remarkable improvements in access to health care services for veterans residing on neighbor islands, including Maui.

Today, I will briefly review the VA Sierra Pacific Network that includes Hawaii and the Pacific region; provide an overview of the VA Pacific Islands Health Care System

(VAPIHCS) and the VA clinic here in Maui; highlight issues of particular interest to veterans residing in Maui County, including VA services on the nearby islands of Molokai and Lanai and access to specialty care; and address any questions posed by Members of the Committee.

### **VA Sierra Pacific Network (VISN 21)**

The VA Sierra Pacific Network (Veterans Integrated Service Network [VISN] 21) is one of 21 integrated health care networks in the Veterans Health Administration (VHA). The VA Sierra Pacific Network provides services to veterans residing in Hawaii and the Pacific Basin (including the Philippines, Guam, American Samoa and Commonwealth of the Northern Marianas Islands), northern Nevada and central/northern California. There are an estimated 1.25 million veterans living within the boundaries of the VA Sierra Pacific Network.

The VA Sierra Pacific Network includes six major health care systems based in Honolulu, HI; Palo Alto, CA; San Francisco, CA; Sacramento, CA; Fresno, CA and Reno, NV. Dr. Robert Wiebe serves as director and oversees clinical and administrative operations throughout the Network. In Fiscal Year 2005 (FY05), the Network provided services to 227,000 veterans. There were about 2.8 million clinic stops and 24,000 inpatient admissions. . The cumulative full-time employment equivalents (FTEE) level was 8,200 and the operating budget was about \$1.3 billion, which is an increase of \$378 million since 2001.

The VA Sierra Pacific Network is remarkable in several ways. In FY05, the Network was the only VISN in VHA to meet the performance targets for all six Clinical Interventions that directly address adherence to evidence-based clinical practice. The Network hosts 11 (out of 65) VHA Centers of Excellence?the most in VHA. The VA Sierra Pacific Network also has the highest funded research programs in VHA. Finally, VISN 21 operates one of four Polytrauma units that are dedicated to addressing the clinical needs of the most severely wounded Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) veterans.

### **VA Pacific Islands Health Care System (VAPIHCS)**

As noted above, VAPIHCS is one of six major health care systems in VISN 21. VAPIHCS is unique in several important aspects: its vast catchment area covering 2.6 million square-miles (including Hawaii, Guam, American Samoa and Commonwealth of

the Northern Marianas); island topography and the challenges to access it creates; richness of the culture of Pacific Islanders; and the ethnic diversity of patients and staff. In FY05, there were an estimated 113,000 veterans living in Hawaii (9% of Network total).

VAPIHCS provides care in six locations: Ambulatory Care Center (ACC) and Center for Aging (CFA) on the campus of the Tripler Army Medical Center (AMC) in Honolulu; and community-based outpatient clinics (CBOCs) in Lihue (Kauai), Kahului (Maui), Kailua-Kona (Hawaii), Hilo (Hawaii) and Agana (Guam). VAPIHCS also sends clinicians and support staff from these locations to provide services on Lanai, Molokai and American Samoa. The inpatient post-traumatic stress disorder (PTSD) unit formerly in Hilo is in the process of relocating to Honolulu. In addition to VAPIHCS, VHA operates five Readjustment Counseling Centers (Vet Centers) in Honolulu, Lihue, Wailuku, Kailua-Kona and Hilo that provide counseling, psychosocial support and outreach.

Dr. James Hastings was recently appointed Director, VAPIHCS. Dr. Hastings has impressive credentials, including tenure as Chair, Department of Medicine, John A. Burns School of Medicine, University of Hawaii, and Commanding General at Walter Reed AMC and Tripler AMC. I am excited about the possibilities that his tenure as Director at VAPIHCS brings.

In FY05, VAPIHCS provided services to 18,300 veterans in Hawaii (8% of Network total). There were 194,000 clinic stops in Hawaii during FY05 (7% of Network total), an increase of 36% since FY00. The cumulative FTEE for the health care system was 478 employees. The budget for VAPIHCS (including General Purpose, Specific Purpose and Medical Care Cost Funds [MCCF]) has increased from \$53 million in FY99 to \$102 million in FY05 (about 8% of Network total). In addition, VISN 21 provided over \$20 million in supplemental funds to VAPIHCS over the past two Fiscal Years to ensure VAPIHCS met its financial obligations.

VAPIHCS provides or contracts for a comprehensive array of health care services. VAPIHCS directly provides primary care, including preventive services and health screenings, and mental health services at all locations. Selected specialty services are also currently provided at the Honolulu campus and to a lesser extent, at CBOCs. VAPIHCS recently hired specialists in gero-psychiatry, gastroenterology, ophthalmology and radiology. VAPIHCS is actively recruiting additional specialists in cardiology,

orthopedic surgery and urology. Inpatient long-term care is available at the 60-bed Center for Aging. Inpatient mental health services are provided by VA staff on a 20-bed ward within Tripler AMC and at the 16-bed PTSD Residential Rehabilitation Program (PRRP) that was formerly in Hilo (now relocating to Honolulu). VAPIHCS contracts for care with DoD (at Tripler AMC and Guam Naval Hospital) and community facilities for inpatient medical-surgical care.

The current constellation of VA facilities and services represents a remarkable transformation over the past several years. Previously, the VAPIHCS (formerly known as the VA Medical and Regional Office Center [VAMROC] Honolulu) operated primary care and mental health clinics based in the Prince Kuhio Federal Building in downtown Honolulu and CBOCs on the neighbor islands that were staffed primarily with nurse practitioners. Senator Akaka and his colleagues in Congress approved \$83 million in Major Construction funds to build a state-of-the-art ambulatory care center and nursing home care unit on the Tripler AMC campus and these facilities were activated in 2000 and 1997, respectively. VISN 21 allocated nearly \$17 million from FY98-FY00 to activate these projects. VISN 21 also provided dedicated funds (e.g., \$2 million in FY01) to enhance care on the neighbor islands by expanding/renovating clinic space and adding additional staff to ensure there are primary care physicians and psychiatrists at all CBOCs.

### **Maui CBOC**

VA operates a CBOC, located in Kahului (203 Ho'ohana, Suite 303, Kahului, HI, 96732). In FY02, VAPIHCS spent \$208,000 to renovate the clinic. The Maui Vet Center is located in nearby Wailuku.

The veterans treated at the Maui CBOC appear to be very satisfied with their care. For example, a Vietnam veteran recently remarked, 'I chose VA when I had opportunities to use other health care. My medical care from the Maui CBOC has been superb in every respect. There is genuine concern for my health and well-being and I could not hope for better care.' With comments like this, it is not surprising that in FY05, VAPIHCS achieved an exceptional level of performance in the national VHA measure of outpatient satisfaction with over 80 percent of patients rating their overall care as 'very good' or 'excellent.'

The Maui CBOC serves an estimated island veteran population in FY05 of 10,787. In FY05, 2,769 veterans were enrolled for care and 1,464 veterans received care ('users') at the Maui CBOC. The market penetrations for enrollees and 'users' are 26% and 14%, respectively, and compare favorably with rates within VISN 21 and VHA.

The current authorized full-time employment equivalents (FTEE) level is 12.4, including a full-time primary care physician, part-time family practice physician, psychiatrist, psychologist and nurse practitioner. With this staff, the Maui CBOC provides a broad range of primary care and mental health services. In addition, VAPIHCS provides specialty care services at the clinic by sending VA staff from Honolulu and other VA facilities in California. Services provided by clinicians traveling to Maui include cardiology, geriatrics, nephrology, neurology, optometry, orthopedics, rheumatology and urology. If veterans need services not available at the clinic, VAPIHCS arranges and pays for care in the local community (e.g., Maui Memorial Hospital), Honolulu (including Tripler AMC) or VA facilities in California. In FY05, VA spent nearly \$3.4 million for non-VA care in the private sector (i.e., not including costs at other VA or DoD facilities) for residents of Maui.

In FY05, the Maui CBOC recorded 9,135 clinic stops, representing a 41% increase from FY00 (i.e., 6,499 stops). The clinic has short waiting times for new patients with very few veterans waiting more than 30 days for their first primary care appointment.

### **Special Issues**

The islands of Molokai and Lanai are part of Maui County. Although VA provides limited services on these islands by VA staff visiting from Maui, VA does not operate formal CBOCs in these locations. Veterans and their advocates have asked VA to increase services in these underserved areas.

*Molokai.* The area of the island of Molokai is approximately 260 square miles. VA estimates the veteran population to be 649. In FY05, 202 veterans were enrolled for VA care and 144 veterans received VA services. VA currently sends a primary care physician to Molokai once a month, a nurse practitioner once a month and a psychologist twice a month. VA leases space in the community to provide these services. In addition, VA purchased non-VA care in the community (e.g., Molokai General Hospital) for eligible veterans residing in Molokai (e.g., \$254 thousand in

FY05). Veterans residing in Molokai also are seen at DoD and VA facilities in other locations.

In FY05, VHA formally designated the VA presence in Maui as an outreach clinic. This allowed VAPIHCS to establish an electronic link between the outreach clinic in Molokai and the Maui CBOC so that the VA electronic medical record can be used in Molokai. At present, due to the relatively small number of veterans residing in Molokai, VA does not plan to establish a formal CBOC in Molokai. However, VA does plan to improve access to health care services on the island.

Based on information provided by Senator Akaka and his staff, VA has identified a former Air Force physician (i.e., Dr. Hafermann) who resides in Molokai and is interested in providing medical care to veterans on a part-time basis. VAPIHCS recently credentialed and privileged this physician and is working with him to establish a regular clinic schedule in early 2006. VA is also working to establish telehealth capabilities from Molokai. VA will place an order for telehealth equipment and is working to identify the location for the telehealth activities. VA will also explore the possibility of sharing telehealth capabilities with non-VA providers in exchange for local services for veterans.

*Lanai.* The island of Lanai is approximately 140 square-miles. VA estimates the veteran population to be 229. In FY05, 57 veterans were enrolled for VA care and 34 veterans received VA services. VA currently sends a nurse practitioner from the Maui CBOC to Lanai every couple of months to provide needed primary care services. In addition, VA purchased non-VA care in the community (e.g., Lanai Community Hospital) for eligible veterans residing in Lanai (e.g., \$35 thousand in FY05). Veterans residing in Lanai also are seen at DoD and VA facilities in other locations.

Due to the small number of veterans residing in Lanai, VA does not plan to activate a formal CBOC. Instead, VA is exploring other options to improve access. VA is talking with the Hawaii Health Systems Corporation (HHSC), Native Hawaiian Health System and local providers (i.e., Straub Clinic) to potentially establish a Federally Qualified Health Center (FQHC). Since health care is limited to all residents of Lanai (e.g., there are no mental health services in Lanai), a FQHC offers exciting possibilities. VA is also exploring the feasibility of establishing telehealth capabilities in Lanai. Finally, VA will also consider establishing a contract with local clinicians to provide care for veterans, based on the availability of resources and local interest.

*Specialty services.* The size of the veteran population and number of VA patients limit the feasibility of having a large cadre of medical and surgical specialists based in the Maui CBOC. Nonetheless, VA recognizes that some veterans in Maui County have needs that go beyond primary care and mental health. As I noted earlier, VA sends specialists from Honolulu and California to the clinic on a regular basis. Services provided by clinicians traveling to Maui include cardiology, geriatrics, nephrology, neurology, optometry, orthopedics, rheumatology and urology. VAPIHCS also refers patients to the local community for care at VA expense (when eligibility criteria are met) and transports (also at VA expense when eligibility criteria are met) patients to the VA facility in Honolulu.

VAPIHCS is utilizing telehealth technology to expand access to specialty care (e.g., dermatology). VAPIHCS estimates that telehealth services are provided more than 15 hours per week at the Maui CBOC. As additional specialists are hired at the VA facility based in Honolulu, these clinicians will be able to travel to Maui County and further utilize telehealth technologies. For the past several years, veterans in Maui have been invited to participate in research studies designed to test if telehealth could be used effectively to extend mental health services (e.g., treatment for PTSD) to a culturally diverse population. The willingness of Maui veterans to participate reflects their trust in VAPIHCS, Maui Vet Center and VHA National Center for PTSD.

As noted before, VAPIHCS staff occasionally refers patients to VA facilities in California. Access to other VA facilities was especially important to a veteran who wrote, 'The veteran's health center in Kona [Kailua-Kona CBOC] has not only helped me get my prescription drugs at a lower cost, but last year they helped me go to the Western Blind Rehabilitation Center in Palo Alto to learn how to cope with my blindness. For the first time in many years, I have confidence to do things I never thought I could do without sight.'

## **Conclusion**

In summary, with the support of Senator Akaka and other members of Congress, VA is providing an unprecedented level of health care services to veterans residing in Hawaii and the Pacific Region. VA now has state-of-the-art facilities and enhanced services in Honolulu, as well as robust staffing on the neighbor islands and has expanded or renovated clinics in many locations. VA is bringing more specialists on board and

preparing for the newest generation of veterans?those who bravely served in southwest Asia.

VAPIHCS still faces several challenges, in part due to the topography of its catchment area. VAPIHCS will meet these challenges by utilizing telehealth technologies, sharing specialists, developing new delivery models and opening new clinics as demographics suggest and resources allow. I am proud of the improvements in VA services in Hawaii, but recognize that our job is not done.

Again, Mr. Chairman and other members of the Committee, mahalo nui loa for the opportunity to testify at this hearing. I would be delighted to address any questions you may have for me or other members of the panel.