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Nomination of Brig. Gen. Michael J. Kussman, M.D., as
Under Secretary for Health
U.S. Department of Veterans Affairs

Presented by

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Good morning. Mr. Chairman, Members of the Committee, I would like to thank you for the opportunity to testify in support of Dr. Michael J. Kussman's nomination as Under Secretary for Health at the Veterans Health Administration (VHA) of the U.S. Department of Veterans Affairs (VA).

My name is Dr. Darrell G. Kirch and I am President and Chief Executive Officer of the Association of American Medical Colleges (AAMC). The AAMC is a nonprofit association representing all 125 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems, including 68 Department of Veterans Affairs medical centers; and 94 academic and scientific societies. Through these institutions and organizations, the AAMC represents 109,000 faculty members, 67,000 medical students, and 104,000 resident physicians.

For more than 60 years, academic medicine and the VA have enjoyed a remarkable partnership in our joint missions of medical education, research, and patient care. This relationship is especially meaningful to me because the majority of my own clinical experience as a medical student and resident occurred in VA medical centers. The physicians and staff, and especially the patients, of the VA were among my finest teachers. Additionally, my first exposure to the excitement of biomedical research, leading to my own career in science, came through studies being conducted at the VA to improve patient care.

Dr. Kussman understands that the first priority is the patient. And throughout his distinguished military career, he has dedicated himself to ensuring world-class health care for our nation's military servicemen and women. Dr. Kussman also understands that veteran care can be improved by the partnerships the VA has built with medical schools and teaching hospitals.

In my comments today, I would like to tell you more about the relationship between the VA and academic medicine-and why I believe Dr. Kussman's leadership will be pivotal in carrying forward our joint missions of education, research, and patient care, with the goal of ensuring the best care for our nation's veterans.

History of VA-Academic Affiliations

Our longstanding association with the VA began shortly after World War II when the VA faced the challenge of an unprecedented number of veterans who would need medical care and a shortage of qualified VA physicians to provide these services. At the same time, medical schools had been looking for ways to expand graduate medical education opportunities to accommodate all physicians who had entered the armed services without completing specialty training.

Responding to these pressing needs, President Truman signed Public Law 79-293, providing the legal basis for the VA to affiliate with schools of medicine and establishing the VA Department of Medicine and Surgery, the predecessor of the VHA. Less than a month after this law went into effect, the VA published Policy Memorandum No. 2, the "Policy on Association of Veterans' Hospitals with Medical Schools." This memorandum officially launched our partnership with the VA, enabling medical schools to staff VA hospitals with top-notch medical school faculty physicians, residents, and interns. The affiliated VA facilities, in turn, would provide medical schools with new venues in which to conduct research and educate young physicians.

VA Graduate Medical Education

Today, the VA manages the largest graduate medical education training program in the United States, with 107 of the nation's 125 accredited allopathic medical schools now affiliated with VA medical centers. The VA system accounts for approximately 10 percent of all graduate medical education in the country, supporting more than 9,000 full-time medical residency training positions. More than half the nation's physicians receive some part of their medical training in VA hospitals, as over 31,000 medical residents and 16,000 medical students rotate through the VA health system each year.

As our nation once again faces a critical shortage of physicians, the VA has been the first to respond. Under Dr. Kussman's leadership, the VA plans to increase its support for graduate medical education, adding an additional 2,000 positions for residency training over the next five years. The expansion will begin in July 2007 when the VA adds 341 new positions. These training positions will address the VA's critical needs and provide skilled health care professionals for the entire nation. The additional residency positions also will encourage innovation in education that will improve patient care, enable physicians in different disciplines to work together, and incorporate state-of-the-art models of clinical care-including VA's renowned quality and patient safety programs and electronic medical record system.

VA Medical and Prosthetic Research

The VA research program is another important element of the affiliations that Dr. Kussman is charged to oversee. The VA Medical and Prosthetic Research program is one of the nation's premier research endeavors and attracts high-caliber clinicians to deliver care and conduct research in VA medical facilities. The program is supported by a dedicated source of funding available only to physicians with full- or part-time VA appointments. As a result, our nation's

medical schools use VA research as a recruiting tool to attract top-quality physicians. The VA currently supports over 3,800 researchers, of whom nearly 83 percent are practicing clinicians who provide direct patient care to veteran patients. As a result, the VHA has a unique ability to translate progress in medical science directly to improvements in clinical care.

As we move forward, it is imperative that the Administration work with this Congress to reverse the recent flat-funding for VA Medical and Prosthetic Research. The VA needs significant growth in its annual research and development appropriation to develop solutions for new conditions prevalent among our most recent veterans, as well as continuing the groundbreaking research that has benefited veterans of previous wars-and certainly our nation as a whole.

Of course, state-of-the-art research requires state-of-the-art technology, equipment, and facilities. In coordination with increases in the research budget, the Administration must also ensure a steady stream of resources dedicated to renovating existing research facilities. An environment that promotes excellence in teaching and patient care as well as research will help VA recruit and retain the best and brightest clinician scientists.

VA-AAMC Deans Liaison Committee

Finally, I would like to talk briefly about the VA-AAMC Deans Liaison Committee-a standing committee of medical school deans and VA officials, including the Chief Academic Affiliations Officer, the VA Chief Research and Development Officer, and three Veterans Integrated Service Network (VISN) directors. Dr. Kussman and I meet regularly with this committee to maintain an open dialogue between the VA and academic medical centers and provide advice on how to better manage their joint affiliations. The agendas usually cover a variety of issues raised by both parties and range from ensuring information technology security to the integrity of sole-source contracting directives.

At its most recent meeting last February, the VA-Deans Liaison Committee reviewed the remarkable progress being made on several VA initiatives under the stewardship of Dr. Kussman in his capacity as VA Acting Under Secretary for Health. These include:

? Establishment of the Blue-Ribbon Panel on Veterans Affairs Medical School Affiliations - This panel will provide advice and consultation on matters related to the VA's strategic planning initiative to assure equitable, harmonious, and synergistic academic affiliations. During the panel's deliberations, those affiliations will be broadly assessed in light of changes in medical education, research priorities, and the health care needs of veterans. The AAMC has worked with Dr. Kussman and VA staff to ensure that this will be an operational commission with measurable outcomes. Similarly, we have discussed the aspiration that the panel would facilitate putting in place criteria for evaluating the "health" of individual affiliation relationships.

? Development of VA Handbook on VHA Chief of Staff Academic Appointments - To prevent conflicts of interest or the appearance thereof, the VA has determined that limits on receiving remuneration from affiliated institutions are necessary for VHA employees at levels higher than chief of staff. While it is important to ensure that remuneration agreements do not create bias in the actions of VHA staff, prohibition of certain compensation from previous academic appointments (e.g., honoraria, tuition waivers, and contributions to retirement funds) could significantly hinder the VA's ability to recruit staff from their academic affiliates. The AAMC has

worked with Dr. Kussman and VA staff to develop a mutually amicable agreement that considers this balance.

? Piloting the VA physician time and attendance/hours bank - Monitoring physician time and attendance for the many medical faculty holding joint appointments with VA medical centers has been complicated and inefficient. The VHA has accepted the "hours bank" concept to improve the tracking of part-time physician attendance. Under the hours bank, participating physicians will be paid a level amount over a time period agreed to in a signed Memorandum of Service Level Expectations (MSLE). This agreement will allow the supervisor and participating physician to negotiate and develop a schedule for the upcoming pay period. A subsidiary record will track the number of hours actually worked, and a reconciliation will be performed at the end of the MLSE period to adjust for any discrepancies. A pilot for this program has been successfully completed under Dr. Kussman's leadership.

? Implementing health care resource contracting for veterans' care - VA Directive 1663 implements provisions of the "Veterans Health Care Eligibility Reform Act of 1996" (Public Law 104-262), which expands VA's health care resources sharing authority. Dr. Kussman and VA staff have worked with the AAMC to ensure that these changes would not adversely affect the VA's academic affiliations. As a result, the VA determined that sole-source contract awards with affiliates must be considered the preferred option whenever education and supervision of graduate medical trainees is required. Similarly, the decision to compete contracts for services overlapping programs in which the facility has graduate medical education training in place must be weighted by additional factors beyond the contract costs. The decision must consider all implications to the business, including the impact to the facility's training program, which is a direct contributor to the facility's productivity and may provide beneficial offsets.

Mr. Chairman and Members of the Committee, I hope my testimony today has provided a better understanding of the extraordinary partnership between academic medicine and the VA, and in particular, the strong leadership Dr. Kussman has provided in many of our joint endeavors. I am confident that as Under Secretary of Health, Dr. Kussman's outstanding track record in public service as well as in putting patients first will combine to strengthen what has become the nation's largest integrated health system.

Once again, I would like to thank the Committee for this opportunity to appear here today and to congratulate Dr. Kussman on his nomination. Over the last 60 years, we have made great strides toward preserving the success of our affiliations. I look forward to working with Dr. Kussman in the future to strengthen these model partnerships between the federal government and nonfederal institutions. I am happy to answer any questions the Committee may have now or at a later date. Thank you.