

MEMORANDUM STATE OF ALASKA

To: Senate Committee on Veterans' Affairs

From: Verdie Bowen Sr, Director SOA Veterans Affairs

Subject: Electronic Testimony for August 25, 2015, 5:30p.m. Field hearing entitled "Exploring the Veterans Choice Program Problems in Alaska."

Senator Sullivan:

I am truly honored and thank you for inviting me to testify at this field hearing focused on the Veterans Choice Program and the problems surrounding this program delivering care to our veterans in Alaska.

Before I jump into the Choice Program I need to express the different programs used in Alaska and how we use these programs for the delivery of health care to our veterans.

Over the past seven years we have worked to forge partnerships that will allow our veterans to receive their care closer to home. We have set into place the DoD/VA Joint Venture agreement, the Care Closer to Home initiative, and the VA/Alaska Native Healthcare partnership agreements with 26 Alaska Native Health Care programs. We have come a long way to deliver care to our veterans and build on the trust required to provide medical services to those we serve. Without these new care programs, veterans are limited to care inside the five VA facilities only, which are located in Fairbanks, Wasilla, Anchorage, Kenai, and Juneau. Also the VA holds a weekly Monday clinic in Homer Alaska.

We have worked hard to forge agreements between all our partners. Alaska needed local solutions to ensure our veterans were offered the highest quality of health care and services. Our biggest challenges are the location of the communities across the state. We have 348 communities with 166 located off the road system. No other state experiences the cost of health care travel our veterans face and the lack of sustained health care in their communities.

We first started looking at ways to ensure all our veterans received quality care regardless of where they live. We collectively worked from the understanding that-

- There are disparities and differences in health status between rural (off the road system) and urban (on the road system) veterans. According to the VA's Health Services Research and Development Office, comparisons between rural and urban veterans show that rural veterans "have worse physical and mental health related issues due to limited care."
- More than 44 percent of military recruits, and those serving today come from rural areas.
- A large number of activated Alaska National Guard members come from our rural communities.
- With the highest number of per capita of veterans in the nation we have a large number without access to emergent/urgent care.

We started looking at in house ways to bridge gaps with the programs we already have in Alaska. The Anchorage DoD/VA Joint Venture is located where over 42,000 Alaska veterans live. This program provides urgent and emergent care the VA cannot. The VA located a Community Based Outpatient Clinic (CBOC) in the Basset Army Medical facility in Fairbanks covering care needs for another 12,500 veterans. The next move was the "Care Closer to Home" program providing local purchase care for our veterans where they live.

Our veterans in the past had to travel to the lower 48 for major/minor surgeries and all cancer treatments. This was a one size fits all mentality and the veteran either paid for the trip out of pocket or the VA funded the travel if the illness was related to a disability caused through their service. The sad part was in most cases the medical care could have been purchased locally. The worst part for our veterans being most were either too old or too frail to make the trips and most suffered additional issues due to the travel. If the veteran needed cancer treatments this meant staying at a local hotel before and after the treatment placing the veteran at risk of additional medical issues and increasing the cost of their care.

Past Secretary of the VA Eric Shinseki authorized the Care Closer to home program and immediately we saw not only an increase in VA utilization we experienced for the first time a reduction in our daily health care complaints. It was common to have in my office each Monday an average of 60 complaints due to health care related issues. This number dropped to just under 20 once this program was in full stride and most of these issues were contributed to rural travel.

In our rural communities, Alaska native veterans and non-native veterans had all but given up hope that they could ever use their earned benefits. A large number had not enrolled in the VA Health Care program because they had to pay for the cost of travel to a VA facility. In most cases seeking care locally, even though expensive, was cheaper than a flight to a VA clinic. In reality most just gave up and only requested care when the medical issue needed emergent/urgent care.

Again, Past Secretary of the VA Eric Shinseki stepped in and established the 13 Medical Working Group. Each of us on the board was challenged to find a working solution for rural health care. Within 6 months, the VA/Alaska Native Health Care Partnership was formed and over the next 24 months all 26 Alaska Native Sharing agreements were signed. These agreements allowed veterans to be treated in the local native clinics across Alaska. This was the first agreement in the nation of this kind. In Alaska it added another 122 facilities that our veterans had access to. This was the first time in Alaska that 98% of our veterans lived close to or in a community that provided healthcare.

It is easy to understand the VA would like to have a one size fits all program and make Alaska look like the lower 48 but this is not a reality and we have to always work together to see what programs work best for our veterans. Passing laws and programs without first taking into account our unique issues will cause our veterans to lose their access to healthcare benefits. It takes time to establish new programs and most of all it takes longer to build the trust required to establish these programs. The three programs I discussed above took years to mature and they still have room for improvement.

We have come too far in our delivery of services to our veterans to turn back now. While the VA facilities in the lower 48 were struggling under the burden of old policies and procedures, Alaska has successfully entered into new agreements and care models. Due to these models we are able to keep our primary care back log down and our programs became the model for the rest of the nation. Even with doctor shortages throughout the state our programs continued to provide great service to our veterans. When we held listening sessions around the state our veterans continually thanked the VA for the healthcare provided locally.

Late June 2015 all funding for the Care Closer to Home, DoD/VA Joint Venture, and the VA/Alaska Native program was pulled. Over night 8,000 veterans were without coverage through these three programs and they were instructed to use the Veterans Choice program. Each veteran went from outstanding local care to a program that could not provide access to local care. I do understand the reason for issuing every veteran in Alaska the Veterans Choice Card and its overall concept has merit. The issue we have in Alaska is the program did not take the time like the others to build trust or ensure a network of care was available before it was thrust on the veterans seeking health care.

Some of funds for our existing programs have been restored after a recent visit by Secretary McDonald.

This has helped us continue treatment for our veterans across the state but it did not fix the issues with the Choice Program. In reality we still do not have the structure in Alaska to cover the basic needs of our veterans using the Choice Program. In order for the program to have any future success, it will take time to build a network of care providers. Today this program is still in the first stages of infancy. Most nonnative and native medical facilities will not participate in the Choice Program due to issues with appointments, the slow payment process, and even with an increase in payments they still do not cover the cost of care. On top of these three concerns shared by the medical community the veteran now has another level of bureaucracy between them and their care. .

Today only a few of our veterans are using this card by choice. Most are forced into the program due to the lack of care at the VA facility. For example, if a veteran being treated at the Kenai VA Community Based Outpatient Clinic (CBOC) is requested to receive an x ray. The doctor will place the order in the system and the veteran has to call the Choice call center and request the x ray. Doctor's notes sometimes don't make it through the system and the veteran must spend hours on the phone to work through this in order to receive the required test. To help this process along the Alaska VA Medical system has created a new team of nurses but it still takes hours if not days to ensure the veteran receives the care requested by the doctor. If the facility, that is required to assist the veteran, is not enrolled into the Choice program this takes even longer.

In the past, when the veteran was treated at the same CBOC, the doctor placed the request in the system and the appointment was set up by the local VA staff. The veteran was called with a time and place for the test/procedure. The veteran did not have to worry about the bill or placing the proper paperwork into the hands of the care provider. This was taken care of by VA staff and if questions were asked they were taken care of on the spot. Under Choice this becomes a never ending loop.

The Veterans Choice and Accountability Act of 2014 has merit on paper and could develop into a quality program over time. The issue experienced by Alaskan veterans was caused by the rapid defunding of our existing stellar programs and thrusting their care into an untested program. It would help our veterans even more if the prime contractor for the Choice program would establish an office in Alaska to help mature this program. We do have areas that need to be improved upon before the choice program can reach its full potential.

First we need to ensure our existing programs will never befall another mid fiscal year loss of funds. No matter the reason or the cause of the funds being pulled the best way to ensure this rapid deceleration of funds will not occur again is to create a single line item in the VA budget that covers the \$127M needed to fund all three programs that serve our veterans through the following: local purchased care, Alaska Native Health Care program, and the DoD/VA Joint Venture. This will provide trust to those providing the care and those receiving the care.

Next, allow the Choice program to mature. If the program is extended it needs to have some critical changes to survive in the Alaskan environment. The payments for care should match what the VA currently pays under its existing programs. Next, if a veteran is 50% or greater disabled or seen for a service connected condition than the veteran should not pay any copayments and be treated the same as if he/she is treated at a VA medical facility. Change the Choice program from payer of last resort and make it match the current purchased care program provided by the VA. This way when a third party insurance collection is collected it goes back to the VA. Not like today when the veteran is covered by insurance the Choice pays last and the veteran is stuck with all deductibles regardless of disability rating. My office as of today has received over 500 calls by veterans who have discussed dropping their insurance coverage due to high deductibles. In the end this does help the veteran and the local VA will lose over \$20M from insurance collections.

The Choice program needs to return to its original concept of a program that provides a choice to

veterans. This should not be the program forced upon the veteran because of budget shortfalls. It was not developed for this type of service to our veterans nor was it intended for this type of coverage. Because of the forced utilization of this program it has caused broken trust and has severely discredited the VA system the Alaska veteran has utilized in the past. In Alaska we understand this new program was a knee jerk reaction to the issues experienced by our fellow veterans in the lower 48. Alaska should have been exempt from this program because we did not experience the issues faced in other states.

The primary contractor needs to be held to a higher level of accountability. The VA and the State of Alaska has been briefed several times that a local call center will be developed and that more doctors and medical facilities will be enrolled into the Choice program. We have passed the three week promised time for the call center and we still have few medical facilities and doctors enrolled in this program. What we have seen is the local VA Medical Center Staff, the Congressional Delegation, and the State of Alaska filling this role to facilitate calls for our veterans and find medical facilities and staff that will take the Choice program.

In summary, over the past seven years all Alaskans who provided services to our veterans have worked hard and created strong partnerships with the VA to ensure Alaska's veterans are well cared for. We have come a long way in our ability to provide equal care to veterans on and off the road system. I know the VA has funding challenges and so does Alaska. However, when the time comes to prioritize spending, we cannot do so at the risk of failing to keep our promises to our veterans. As a nation, we wrote the check when we sent them to war, and now it is incumbent on all of us to honor that agreement and their service. I urge the U.S. Senate to continue funding the programs greatly needed by the Alaska Veterans and to make critical changes to the Choice program that will allow veterans to never go without the healthcare they have earned.

Thank you for the privilege and honor of addressing this hearing on behalf of the Alaskan Veterans.

Sincerely,

Verdie A. Bowen Sr,
Director