

Introduction

My name is Bob Nelson. I served four years in the Navy and after my discharge in 1974 I began working at the Hot Springs VA Medical Center. After 36 years of serving America's veterans I retired in December of 2011.

This is my written testimony to talk about decisions made by the VA eighteen years ago that have eroded medical services and in many cases eliminated available services and as a result, access to care for veterans wanting to use the Hot Springs VA. Some of these veterans travel 150 miles one way, from rural and highly rural America and from medically underserved areas in southwestern South Dakota, northwestern Nebraska and eastern Wyoming.

In 1996 the VA merged two VA hospitals, the Ft. Meade Hospital in Sturgis SD and the Hot Springs SD Hospital to become the Black Hills Health Care System. I believe that decision and subsequent actions by past and present VA administrators was designed to slowly reduce the access available to veterans that use the Hot Springs hospital for their medical care. The VA disagrees, they contend it has been necessary to reduce services at the Hot Springs VA because veterans in decreasing numbers travel to Hot Springs for their care, in spite of personal testimony from veterans to the contrary. These same veterans say services they have traditionally received at Hot Springs are no longer available, instead they are now expected to travel an additional 90 miles one way to the hospital at Ft. Meade.

Declining Patients

At the time of the merger the comparison of outpatient numbers and inpatient numbers between Ft. Meade and Hot Springs shows Hot Springs with slightly larger numbers for both categories. Admissions at Ft. Meade were 1,661 patients and admissions at Hot Springs were 1,903 patients. Ft. Meade had 66,000 outpatient visits and Hot Springs had 67,463 outpatient visits. The VA contends that patient demographics have shifted and there are now fewer veterans seeking their care at the Hot Springs VA with a corresponding increase in the number of veterans seeking care at the outpatient clinic in Rapid City South Dakota.

Data provided by the VA during their public announcement for the proposed closure of the Hot Springs VA, data provided by the VA from Freedom of Information

Act requests, and data provided by the VA Office of Facilities and Construction Management suggests otherwise.

The Freedom of Information Act data shows the unique veterans for the CBOC in Rapid City in 2010 was 5,724 and the unique veterans for the Hot Springs Hospital in 2010 was 10,101. Citing data that was four years old during their public announcement in December 2011 Black Hills projected the number of veterans that will be served by Black Hills in 2020 to be a little over 26,000. In May 2013 information provided by the VA Office of Facilities Management that was two years old, projected the number of veterans for 2020 would be 35,388. What's interesting about this increase of over 9,000 veterans is where those additional veterans came from? They came from counting the veterans in Scottsbluff Nebraska Black Hills had not counted in their original projection. How could local management not count over 9,000 veterans in their 2020 projections when Black Hills has an Outpatient Clinic in Scottsbluff? Was the VA "cooking the books" with their original veteran projection to support their proposal to close the Hot Springs VA.

The veterans served by the Hot Springs VA have always been rural and highly rural veterans. The following two statements from The National American Legion 2012 System Worth Saving Report on Rural America are worth noting.

- In our findings, we discovered that one out of three veterans enrolled in the VA live in rural and highly rural areas.
- The number of rural and highly rural veterans is expected to increase.

Domiciliary/PTSD

The VA has repeatedly stated another reason for closing the Hot Springs VA is because the majority of veterans that seek treatment at the Hot Springs Domiciliary come from the Rapid City SD area, just 60 miles north of Hot Springs. The following data will disprove that statement and also show past excessive wait times to get into the domiciliary.

Freedom of Information Request 2012-0054 (Signed by Steve Distasio)

Total authorized beds for the Hot Springs Domiciliary - 100.

Additional data from this FOIA request also shows an average daily census for the domiciliary of 76 veterans.

During FY '10 405 veterans were treated in the Hot Springs Domiciliary. Of those veterans treated, 91% were referred from locations other than Rapid City SD. In FY '11

329 veterans were treated in the Hot Springs Domiciliary. Of those veterans 92% were referred from locations other than Rapid City SD.

Veterans provided treatment in the Hot Springs Domiciliary come to Hot Springs because of the national reputation for success of the Hot Springs program. This statement has never been disputed by the VA. Former Black Hills Director Pete Henry has tried to spin the reputation of the Hot Springs domiciliary by saying the success of Hot Springs has nothing to do with the domiciliary being located in Hot Springs. The substance abuse and PTSD programs would be just as successful in Rapid City. This statement is always contradicted by the veterans themselves. Veterans have repeatedly told Black Hills management it's exactly the "small town environment" of Hot Springs that helps contribute to their healing. The South Dakota State Veterans home is also in Hot Springs and provides ready access to care for the veterans living there. Hot Springs is the "Veterans Town."

The VA states they need to lease a new domiciliary in Rapid City SD, at a cost of \$10 million dollars a year, in spite of the fact that less than 10% of the veterans treated in the domiciliary live in the Rapid City area. The remaining 90% of veterans come from all across the country. In FY '11 veterans from 26 different states received their care at Hot Springs, and in FY '10 veterans from 34 different states received their care at Hot Springs. Locations as remote as Puerto Rico, Florida, Louisiana, Massachusetts, South Carolina, Pennsylvania and Washington to name a few have been treated at the Hot Springs Domiciliary. Other VA's continue to refer veterans to the Hot Springs Domiciliary, they recognize the success of the substance abuse and PTSD programs and yet Black Hills management steadfastly down plays the national reputation. To acknowledge the success of the Hot Springs program runs counter to their desire to relocate the domiciliary to Rapid City.

Freedom of Information Request 2012-0022 (Signed by JoAnn Ginsberg)

Question 1 - Average wait list time to get into the Hot Springs PTSD program broken down by each quarter for FY '10 and FY '11

- FY '10 1st Qtr 92.25 days
- FY '10 2nd Qtr 107.08 days
- FY '10 3rd Qtr 90.10 days
- FY '10 4th Qtr 77.03 days
- FY '11 1st Qtr 112.92 days
- FY '11 2nd Qtr 124.30 days
- FY '11 3rd Qtr 134.19 days
- FY '11 4th Qtr 157.75 days

Freedom of Information Request 2012-0044 (Signed by Stephen R. DiStasio)

Question 1 - Number of Veterans served at the Cornerstone Mission per year from 2008-2011 through the Grant and Per Diem Program

- 2008 - 98
- 2009 - 113
- 2010 - 105
- 2011 - 132

Question 2 - Number of bed days per year (Bed Day of Care) provided by the cornerstone Mission to Veterans through the Grant and Per Diem Program from 2008 - 2011

- 2008 - 6,879
- 2009 - 11,214
- 2010 - 12,693
- 2011 - 12,517

Question 4 - Payment per year to the Cornerstone Mission as a result of the Grant and Per Diem Program

- 2008 - \$186,984.74
- 2009 - \$303,582.15
- 2010 - \$342,588.25
- 2011 - \$335,582.80
- 2013 - \$761,436.00 (from Rapid City Journal Newspaper article)
- Total - \$1,930,173.94

Looking at the data above, the daily domiciliary census is 24 beds below the authorized census, there is an increasing domiciliary wait time from FY '10 through FY '11, an increasing number of veterans in a homeless shelter and a five year cost, of \$1.9 million dollars to house veterans in a homeless shelter when the domiciliary has extra beds.

Medical Care Numbers

The following statement comes from the VA's first public announcement of their proposal to close the Hot Springs VA.

Over the past 18 months Hot Springs averages 5 hospital inpatients daily: ***insufficient to maintain staff proficiency over time and stresses recruitment and retention.***

Freedom of Information Request 2012-0054 (Signed by Stephen R. DiStasio)

The response from this FOIA request shows an average daily census of 6.1 inpatients on the 1East medical ward. What the VA neglects to mention in their statement is inpatients aren't the only veterans provided care on 1 East. This ward is also where the

Nursing Home Care patients at Hot Springs are taken care of. The average daily census for those patients is 4.6 patients for a total of 10.7 average daily patients on the 1 East ward, twice the average daily census cited by the VA.

Another question asked on this FOIA is;

Total Number of Patients sent to Ft. Meade, Rapid City Regional Hospital and Minneapolis directly from Hot Springs Urgent Care for a higher level of care or services not available in Hot Springs. (Does not include transfer due diversion) 198.

This is a direct result of the services at Hot Springs that have been eroded since the merger of the two hospitals.

Freedom of Information Request 2012-0049 (Signed by JoAnn Ginsberg)

How many veterans were provided surgical services in Ft. Meade who are in the main catchment area of the Hot Springs facility?

- 2005 - 254
- 2006 - 284
- 2007 - 420
- 2008 - 275
- 2009 - 251
- 2010 - 337
- 2011 - 450

Not all but many of these surgical procedures were performed at Hot Springs when surgery was fully staffed. Surgery is no longer done at Hot Springs.

Radius of Care Maps

Black Hills Health Care System maintains the majority of veterans in its' catchment area live in or around Rapid City SD so that's where Black Hills should expand their footprint. The attached maps show the significant overlap of medical services available if Black Hills expands in the Rapid City area as planned.

The major medical facilities covered by the overlapping circles on the first map are part of the Rapid Regional Health Care System in Rapid City SD. Hospitals that are part of this Health Care System are Rapid City Regional Hospital, the Sturgis Regional Hospital, the Spearfish Regional Hospital and the Lead/Deadwood Regional Hospital. Veterans in this geographic area already have many options for their medical needs in addition to the Ft. Meade VA Hospital.

The first map focuses on Ft. Meade and Rapid City as the centers of care. This map shows an overlap of well over 50% for hospital coverage with only outpatient coverage in the Hot Springs area because the Hot Springs VA hospital is closed as proposed by the VA.

In reviewing the second map with a focus on Rapid City and Hot Springs the overlap of circles is much smaller demonstrating a better utilization of resources. In this map veterans on the Indian Reservations and veterans in northwestern Nebraska and eastern Wyoming would have care much closer at the Hot Springs VA. This is just another example of the poor planning of the proposal put forth by the VA and the focus by the VA on veterans in the Rapid City area at the expense of the more rural veterans served by the Hot Springs VA.

The geographic areas served by the Ft. Meade and Hot Springs hospitals is different. Very few veterans from Rapid City and the surrounding area use the Hot Springs VA for their care. Most of these veterans use the Ft. Meade VA or the Rapid City CBOC for their care. In contrast most of the veterans who use the Hot Springs VA come from locations south, southwest and west of Hot Springs. These are the rural/highly rural, medically underserved veterans who have much more limited private health care options available. The options available to these veterans typically, is met by rural hospitals with a Critical Access designation. Because the VA wants to reimburse private health care hospitals at Medicare rates, these rural hospitals run the risk of losing money on every veteran they treat. Add to that the slowness of the VA to pay their bills these hospitals are placed at a greater financial risk.

During one of the VA's original town hall meetings in Chadron Nebraska to announce the VA proposal for the Hot Springs VA, Director Distasio in an attempt to assure veterans they would still receive health care at local community hospitals, the administrator of the Chadron Hospital asked Distasio to please pay his current bills before sending him any new patients.

Ambulance Costs

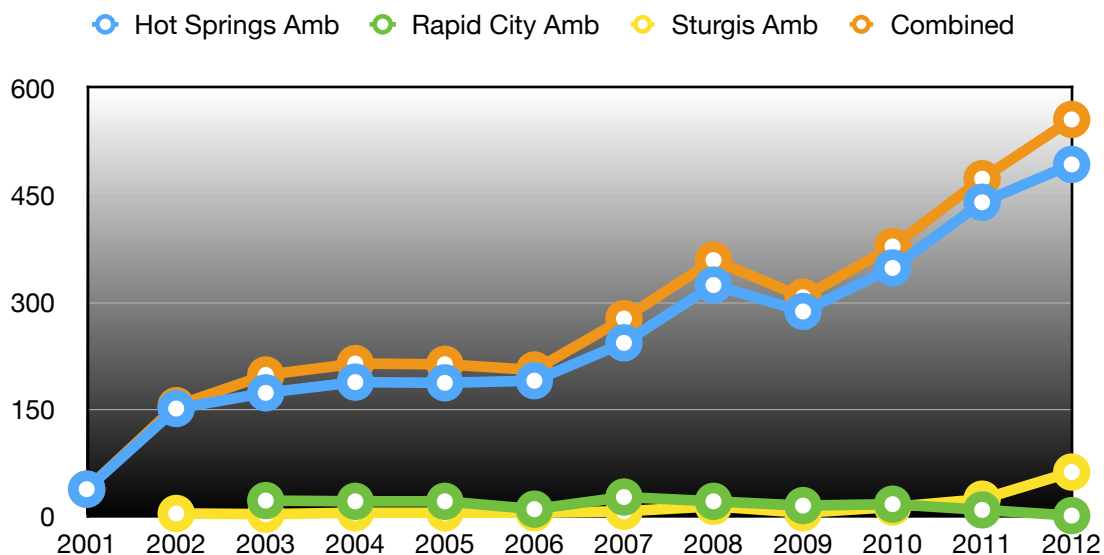
As the services available for veterans at the Hot Springs VA have been eroded more veterans are now transported via ambulance to and from the Hot Springs VA.

Freedom of Information Request 2014-0007 (signed by Daniel Gadomski)

The dollar amounts spent by the Black Hills Health Care System for fiscal years 2001 through present, to pay for ambulance services for the following cities, to transfer veterans from or to the Hot Springs VA.

- Hot Springs Ambulance Service
- Rapid City Ambulance Service
- Sturgis Ambulance Service

For the fiscal years requested these three ambulance services combined for just over 3,300 ambulance trips totaling over \$3.3 million dollars. Many of these trips would have not been necessary if services at Hot Springs hadn't been eroded for the past 18 years. The round trip mileage from Hot Springs to Ft. Meade is 172 miles resulting in 567,600 miles veterans spent in the back of an ambulance instead of in a hospital bed. Another result of eroded services at Hot Springs.



Operating Expenses

VA administrators have also cited excessive operating costs as a reason to move the Hot Springs domiciliary to Rapid City and reduce the Hot Springs Hospital to a CBOC.

At the time of their merger the Ft. Meade hospital annual budget was \$36.5 million dollars and the Hot Springs hospital annual budget was \$31 million dollars. In 2013 former director Peter Henry wrote an article in a local newspaper regarding the VA's proposed merger of these two hospitals. Responding to a comment critical of his

article, Henry said, "When we merged the two facilities in 1996, BOTH were among the most cost-efficient facilities in the entire VA." Pete Henry's comment in 2013 is in direct contrast to the VA's public announcement in December 2011 that the Hot Springs VA needed to close because it's too expensive to operate and because of declining patient use of the hospital. The question that needs to be asked is what happened to one of "... the most cost-efficient facilities in the entire VA" after the merger.

Budget figures provided by VISN 23 in September 2012 show the budget for Hot Springs had increased from \$31 million dollars in 1994 to \$41.4 million dollars in 2012, that's an increase of \$10.4 million dollars or \$577,000 dollars per year. The same figures provided by Black Hills show the total budget for Black Hills in 2012 was \$171.8 million dollars. The cost to operate the Hot Springs hospital was only 25% of the total Black Hills budget and the VA continues to assert that it's too expensive to operate the Hot Springs hospital.

When the two hospitals merged the newly formed Black Hills management made the decision to distribute funding to the two hospitals based on the gross square footage of the campuses. The gross square footage of both sites is 1.2 million square feet. Management determined that Ft. Meade had 800,00 square feet and Hot Springs had 400,00 square feet so the budget would be split 60% to Ft. Meade and 40% to Hot Springs but using the gross square footage of each campus for this calculation is misleading. When comparing the square footage of each campus that serves a "direct patient care" function the adjusted square footage for each campus is 432,000 for Ft. Meade and 418,000 for Hot Springs. Based on the adjusted square footage for each campus the budget distribution should have been closer to 50/50. In response to a Freedom Of Information Act request the VA provided data that showed the 2010 Non-Recurring Maintenance budget, the budget that was distributed 60/40, was \$9.6 million dollars. The 60/40 breakdown resulted in \$5.8 million dollars for Ft. Meade and \$3.8 million dollars for Hot Springs. The difference in the Hot Springs budget if calculated over the 18 years since the merger, resulted in Hot Springs being underfunded, conservatively by \$30 million dollars.

Museum Expenditures

Another example of poor management decisions with funding is demonstrated in a Freedom of Information Request about the museum on the Ft. Meade campus.

Freedom of Information Request 2012-0030 (Signed by Stephen R. DiStasio)

Question 5. V A project numbers for projects to complete work on the buildings leased by the South Dakota National Guard and Ft. Meade Calvary Museum to include HVAC, roads, sidewalks, utility feeds and building upgrades.

Project **568-09-117** for \$200,000.00 approved by VISN 23 for Repair Historic buildings on campus. project category: building envelope? (if there were change orders there may be additional costs) This project is listed on the NRM Project application for VISN 23-568 BHHCS-Fort Meade dated 9-12-2009. This project is vague, no specific building listed? It was provided as the response to what project numbers pertain to the Ft. Meade Museum, and the SD National Guard buildings all listed as leased space.

Project **568-11-123** for \$155,000.00 approved by VISN 23 for maintenance, repair, and alteration of real property project category: building maintenance and repairs. (if any change orders there may be additional costs). This project is listed on the NRM project applications for VISN 23-568 BHHCS-Fort Meade, dated 5-26-2011. This project lists this work for building 55, Ft. Meade Calvary Museum.

VA BHHCS knew that the lease for the FM Calvary Museum had lapsed, (the only recorded lease for 1997 thru 1999). The VA has allowed this private group, and friends of the past Director to occupy this 11,000 sq. ft. building for 49 yrs. The VA has maintained this space, provided utilities, and upgrade projects (at the request of the FM Museum group). The FM Museum has a very large collection of community items, privately owned. They charge admission, they sell memberships from \$25 to \$500 per membership, they sell souvenirs and antiques from the store they operate inside the FM Museum building. They occupy and use the space year round, and are open to the public during the summer months. The only lease that was in place, or that is on record states that the FM Museum group is responsible for building maintenance and Historic Preservation of the building and requires them to pay \$240 for the year 1997 to defer the utility costs, and the Director is to determine the costs in the future.

The VA BHHCS also through a past employee decided to enter into a 75 year lease with the SD National Guard. The lease gives the NG soul use of the buildings they occupy. They pay for the utilities while they occupy the buildings (6-8 weeks per year). The VA pays for the utilities the rest of the year. The VA provides road maintenance, grounds maintenance utility maintenance and upgrades to these buildings. They leasing party is responsible for the maintenance and preservation of the buildings.

VA and Federal agency guidelines state that enhanced use leases are recommended, but the EUL must be beneficial to the owning agency. Neither of these leases are beneficial to the Department of Veterans Affairs.

Negotiations with the VA

In late spring or early summer of 2012 Congressional Offices from South Dakota, Nebraska and Wyoming made repeated requests for then Secretary Shinseki to personally visit the Hot Springs VA with the hope his visit to this National Landmark would convince him to rescind the proposal to close the hospital. These repeated requests were eventually denied but Secretary Shinseki instructed management of the Black Hills Health Care System and VISN 23 to meet with representatives from Save The VA, congressional staff for South Dakota, Nebraska, Wyoming and Veteran Service Officers representing the veterans who receive their care at Hot Springs.

The purpose of the meetings was to explore the possibilities of "understanding the Save the VA proposal and to seriously discuss, compare, and contrast with the original VA proposal." Four meetings were held with the general feeling by everyone but the VA, progress was being made toward the goal established by Secretary Shinseki.

On August 31, 2012 the meetings came to an abrupt halt. The feeling of Save The VA is that despite Secretary Shinseki's personal assurance to South Dakota Senator Tim Johnson he had made no decision on the closure of the Hot Springs VA, Dr Petzel, then Under Secretary for Health at the VA instructed VISN Director Jan Murphy to put an end to the meetings, the VA would be proceeding with their original proposal. Below is an email chain addressing this issue.

From: Al-Haj, Qusi (Thune) [mailto:Qusi_Al-Haj@thune.senate.gov]

Sent: Monday, September 17, 2012 02:13 PM

To: Murphy, Janet P (SES); Shoemaker, Darrell; DiStasio, Stephen R (SES); Dodson, Debra C

Cc: Kunze, Karen (Johnson) <Karen_Kunze@johnson.senate.gov>; brad.otten@mail.house.gov <brad.otten@mail.house.gov>; k_meston@yahoo.com <k_meston@yahoo.com>; richgr@gwtc.net <richgr@gwtc.net>; sodakvet@gmail.com <sodakvet@gmail.com>; roger_lempke@johanns.senate.gov ('roger_lempke@johanns.senate.gov') <roger_lempke@johanns.senate.gov>

Subject: RE: Email to Black Hills Employees

Hello Jan and Steve,

Following up on Thursday's conference call- Jan, my understanding was that you were planning on having a conversation with DC and would let us know by Friday what came out of it in order for us to determine the way forward. Thanks.

From: Murphy, Janet P (SES) [<mailto:Janet.Murphy4@va.gov>]
Sent: Wednesday, September 12, 2012 1:15 PM
To: Shoemaker, Darrell (Johnson); DiStasio, Stephen R (SES); Dodson, Debra C
Cc: Kunze, Karen (Johnson); brad.otten@mail.house.gov; Al-Haj, Qusi (Thune); k_meston@yahoo.com; richgr@gwtc.net; sodakvet@gmail.com
Subject: Re: Email to Black Hills Employees

All - I will take responsibility for creating language confusion at our meeting on Monday. We will be sharing with VACO insights gathered from all of our activities over the past 8 months as well as recommendations for a way forward. Let's talk in more detail on our call tomorrow. My apologies for the confusion.
Jan M

From: Shoemaker, Darrell (Johnson) [mailto:Darrell_Shoemaker@johnson.senate.gov]
Sent: Wednesday, September 12, 2012 11:11 AM
To: DiStasio, Stephen R (SES); Murphy, Janet P (SES); Dodson, Debra C
Cc: Kunze, Karen (Johnson) <Karen_Kunze@johnson.senate.gov>; brad.otten@mail.house.gov <brad.otten@mail.house.gov>; Al-Haj, Qusi (Thune) <Qusi_Al-Haj@thune.senate.gov>; Karen Meston (k_meston@yahoo.com) <k_meston@yahoo.com>; Rich Gross (richgr@gwtc.net) <richgr@gwtc.net>; Bob Nelson (sodakvet@gmail.com) <sodakvet@gmail.com>
Subject: FW: Email to Black Hills Employees

It has been brought to our attention the following e-mail from the VA to Black Hills VA employees.

We are concerned that if no recommendation was planned or will be made, then why have VA employees been informed as late as August 31 that "it will soon be time to rewrite the proposal into a recommendation to be forwarded to VA Central Office".....and that "the recommendation will likely be forwarded in September" with no time table for a "decision". If my recollection of Monday's conversation was correct, there would be no rewrite or recommendation, only insights and that there would be no decision, only that "the Secretary's plan" would move forward. Again, the information below to VA employees appears to reinforce the assumptions and understanding that everyone had regarding the process.

What changed between August 31 and September 10?

From: Beck, Angela G. **On Behalf Of** DiStasio, Stephen R (SES)

Sent: Friday, August 31, 2012 12:15 PM

To: VHAFTMEmployees; VHAHOTEmployees

Subject: Update about the Future State Proposal

I would like to share some updates on our Future State proposal. Since the formal feedback period ended on June 30, VA Black Hills and VISN 23 leaders have been engaged in a series of meetings with the Save the VA group, our Veteran service organizations and the Congressional delegations. The purpose of the meetings has been to understand the depth and breadth of all of the alternative proposals received.

To support the understanding of the Save the VA proposal the VISN 23 CFO has been working with the Save the VA representatives to complete an operating cost analysis of their proposal. In addition, the VA has contracted with Jones, Lange, Lasalle (JLL) and Treanor Architects for a capital cost analysis of the Save the VA proposal. JLL and Treanor Architects were recently on-site in Hot Springs to assure the historic preservation aspects of the VA proposal and the Save the VA proposal were appropriately addressed.

With the completion of the operating and capital costs analyses and stakeholders meetings approaching it will soon be time to rewrite the proposal into a recommendation to be forwarded to VA Central Office. The recommendation will likely be forwarded in September. We do not know at this time when we can expect a decision.

As always, you have been gracious and responsive to the guests we have had during this process ... thank you. And thank you for what you do every day for our Veterans.

Have a safe Labor Day week-end holiday whether your time off is these weekend days or some later date.

Steve

Email from Save The VA

The following letter from one of the members of the Save The VA team at those meetings was sent to VISN 23 Director Jan Murphy asking for clarification about the sudden change in the tone of the meetings.

To:

I wanted to take this opportunity to provide feedback about the end of the meeting yesterday. To say that it went in an unexpected direction would be an understatement. From the beginning of the process, it was our understanding that the "Save the VA" proposal would be seriously discussed, compared, and contrasted with the original VA proposal. It was also my understanding that the VA along with the representatives of the Save the VA group would participate in a possible reconfiguration of the original VA proposal for a possible blending of concepts, ideas, and initiatives that were in the best interests of veterans, the communities involved, and the VA system.

In fact, our original concept was to take our ideas directly to the Secretary's attention along with additional comments from our Congressional delegation. I was assured in subsequent conversations that the more prudent approach was to work through a process of discussion and negotiation prior to a meeting with the Secretary. At that time, VA representatives indicated that one of three outcomes would occur: the VA and Save the VA would agree on a blended joint recommendation to be sent to the Secretary; we would agree on a partial joint proposal and take elements that we couldn't agree on separately to the Secretary; or we would agree that any joint proposal was not possible and move forward based on that understanding.

In our discussions with our Congressional delegation staff members, VA representatives, and others we agreed to the approach we thought we'd been following the last few months. Today, it appears that it was never the intention of the VA to seriously consider any type of negotiated joint proposal. In fact, we were told that VISN 23 did not have the ability to change their proposal, but only to provide "insights" concerning the Save the VA proposal. I believe something has changed from the beginning of the proposal until now. I would not like to think that the VA was being disingenuous with the community, the Congressional delegation and others who had the same understanding as I did.

If it was never the intention to possibly reconfigure the original VA proposal then why did the VA hold community forums? Why were we invited to participate in any discussions? The VA could have done a cost analysis on the Save the VA proposal without our participation. At our previous meetings we dealt with other proposals, incorporating some of their elements into our proposal. What was the purpose for that activity? What was the purpose of charting our respective proposals and

beginning to at least move some concepts between them? All of that activity led us to believe we were beginning to work together. Again, I'm curious as to what occurred between the last meeting and this one?

As we were told by VA representatives, any proposal of merit was not just about dollars. It was also about ideas and initiatives impacting the future care of veterans. Yet, today it seemed that it was only about dollars. We were prepared to listen to the presentations today, look at what modifications would need to be made in order to move toward a joint proposal. That was the tenor of previous conversations. We never expected that the VA would simply replace their proposal with ours; however we were expecting a more serious level of discussion and negotiation.

In all of my experience with facilitating and leading negotiations between parties, I've never seen anything equaling the level of misunderstanding about outcomes that occurred today. If I failed to understand your original intentions, please help me to understand where that occurred.

Given what occurred today, I'm not sure there would be any value in any conference call later this week to deal with cost related questions. I'm not sure how it would impact the outcome that apparently is already determined. If there would be value in a future meeting, we would need to understand the purpose and potential outcome of such a meeting.

Finally, today is Patriot's Day. In Hot Springs we're observing the day with a program this evening. I've been asked to provide an update on progress between the community and the VA. Many of us put a lot of our credibility on the line when we advocated the negotiation approach with the VISN. I stood before more than 300 people back in June and told them this was the correct and honorable approach. What can I tell them tonight? That we misunderstood the process? Your advice would be most welcomed.

Thank you for your consideration of my thoughts and concerns. As always, I'm available to respond to any questions or comments.

Sincerely,

Rich Gross

CBOC's Have Their Place

Since the news surrounding the Phoenix VA broke much of the public discussion has centered on expanding services to veterans through private health care. In rural America private health care and CBOC's go hand in hand. CBOC's are essentially doctors offices, open 9 to 5, Monday through Friday excluding government holidays but they shouldn't be a feeder system into private health care. CBOC's to the

maximum possible should have a VA hospital close by to refer veterans to for care not available at the CBOC.

Private health care professionals on a daily basis don't see the types of medical conditions unique to veterans and private health care isn't familiar with or prepared to deal with issues surrounding disability claims.

Everyday across America veterans tell of the quality care they receive at VA hospitals. They look forward to reliving their individual stories of military life. The retelling of these shared experiences in some cases is as therapeutic as the care provided by the medical professionals themselves. The Hot Springs VA, out here in rural America, is such a place, ask any veteran that uses it for their care.

Epidemic of VA Mismanagement

During testimony on May 15, 2014 in a hearing of the Senate Veterans Affairs Committee, Senator Johanns asked then Secretary Shinseki if he was aware of a map prepared by the National American Legion that identified VA's across the country the American Legion is concerned about. Below is a statement from that American Legion Map.

Construction and resource allocation concerns

In addition to preventable patient deaths, The American Legion has voiced concern over other mismanagement issues. In Orlando, Fla., New Orleans, Denver and Las Vegas, massive mismanagement of construction contracts result in four major projects that were \$1.5 billion over budget and were delayed an average of 35 months. Once completed, the Las Vegas hospital lacked an ambulance bay for their Emergency Room, requiring an additional \$16-25 million in funding to repair the grievous oversight.

In Hot Springs, S.D., The American Legion supports local veterans' protests against the shutdown of a VA medical facility which would require patients in rural areas to travel to a distant facility for care.

The American Legion used different colors on the map to represent the seriousness of their concerns, with red being the most serious. The Hot Springs VA is one of the hospitals on the map with a color of yellow representing mis-management issues.

Sadly two months later Black Hills Health Care System is another one of the VA's that has been found to manipulate numbers. Black Hills management has graduated from "mismangement" to deliberate manipulation. Hot Springs should now be one of the red states on the American Legion's map.

Christopher Doering, Argus Leader Washington Bureau 11:05 p.m. CDT July 28, 2014

WASHINGTON - An internal audit by the VA found almost 14 percent of schedulers at the Black Hills Health Care System said they were instructed to change the waiting times after a veteran first requested an appointment.

The audit of VA operations in the Black Hills system determined "staff were instructed to manipulate" a patient's request to make it closer to the next available appointment.

"The scheduling issues raised by the VHA audit are very serious, and I am particularly concerned about the problems pointed out at the Black Hills VA," Sen. Tim Johnson, D-S.D., said.

Summary

For eighteen years the Hot Springs VA has had to endure management decisions that have placed the Hot Springs VA on the path to eventual closure. In September 2011 concerned veterans and employees of the Hot Springs VA contacted South Dakota's Congressional offices to raise the alarm about what they believed the VA was up to. South Dakota Congressional staff contacted the VA and was assured nothing was "afoot." It was only after repeated inquiries over several months the VA finally acknowledged their "proposal" to realign services within the Black Hills Health Care System.

Since December 2011 it has been a constant struggle to get answers from the VA. The VA say's, based on their data, their confident with the decision they've made regarding the "proposed" realignment. The word I would use is arrogant. Chairman Miller, you and your committee struggle on a daily basis trying to get answers from the VA. You understand the entrenched bureaucracy within the VA and the difficulty getting the VA to change directions must less admit they've made a bad decision.

Hot Springs has been fighting to keep what was once a robust full service hospital open. The unfortunate circumstances surrounding the Phoenix VA have highlighted the need to expand services available to veterans. How that expansion of services is achieved by closing a rural hospital veterans have depended on for over 107 years boggles the mind.

The numbers I've spoken about come from Freedom of Information Requests and former VA employees. One employee in particular retired in December of 2013. This employee served three years in the Army and retired after 30+ years of service at the Hot Springs VA. At the time of his retirement he was the Historic Preservation Officer at the Hot Springs VA. Over the last three to four years he was part of numerous

conversations and meetings with Black Hills administrators and warned them about the course they were on. In true VA fashion they ignored his warnings. Black Hills had its mission and it was "full speed ahead." He's willing to speak with your committee to answer any additional questions you may have.

The VA wants to marginalize veterans. They have reduced us to green dots on a powerpoint slide. They steadfastly refuse to look past their data and see us as someone's mother, father, son, daughter, sister or brother.

The employees of the Hot Springs VA who work everyday under difficult circumstances to provide care to America's Veterans are the victims of friendly fire. Wounded by the very administrators entrusted to care for veterans.

Chairman Miller, on behalf of veterans who want to continue to use the Hot Springs VA, we need your committee's help. This has never been a "proposal" by the VA, the VA is moving forward with their plan. If the VA isn't stopped they will close the Hot Springs VA.

Local VA management for 2 ½ years has repeatedly heard from the veterans that use the Hot Springs Hospital and the VA continues to turn a deaf ear to these veterans concerns. At town hall meetings and Environmental Scoping Meetings, overwhelmingly veterans have told Black Hills management they want the Hot Springs VA to remain open. Black Hills management is either unable or unwilling to stand up for the veterans they are charged to serve. Maybe they just don't know how. Its' time to follow the lead of the National American Legion and call for a change in the current management of the Hot Springs VA. Veterans who want to continue to receive their care at Hot Springs and Hot Springs employees deserve better than an administration that has taken what was once a fully functional hospital and reduced it to little more than a transfer station to other hospitals. Veterans who depend on the Hot Springs VA for their care deserve administrators who understand the needs of rural veterans.



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