STATEMENT OF

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BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS

WITH RESPECT TO

"Assessing the Promise and Progress of the Choice Program"

WASHINGTON, D.C. May 13, 2015

Chairman Miller, Ranking Member Brown and members of the Committee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, I thank you for the opportunity to present the VFW's thoughts on the current state of the Veterans Choice Program.

More than a year ago, whistleblowers in Phoenix, Arizona, exposed rampant wrong-doing at their local Department of Veterans Affairs (VA) hospital through which veterans were alleged to have died waiting for care, while VA employees manipulated waiting lists and hid the truth. In the months that followed, similar problems were exposed across the country, and the ensuing crisis forced the Secretary of Veterans Affairs and many top Veterans Health Administration (VHA) deputies to resign.

As the crisis unfolded, the VFW intervened by offering direct assistance to veterans receiving VA health care; publishing a detailed report, *"Hurry up and Wait,"* which made 11 recommendations on ways to improve VA's health care system; working with Congress to pass significant reforms; and working directly with VA to implement reforms.

In August 2014, Congress passed and the President signed into law the *Veterans Access, Choice, and Accountability Act of 2014* (VACAA) with the support and insight of the VFW. This critical law commissioned the Veterans Choice Program, which now offers critical non-VA health care options to veterans who are unable to receive VA health care appointments in a timely manner (30-dayers) or who live more than 40 miles from the nearest VA medical facility (40-milers).

In an effort to gauge veterans' experiences and evaluate how the program was performing, the VFW commissioned a series of surveys and compiled an initial report on how the program performed during the first three months of its implementation. The VFW's initial report included six specific recommendations regarding participation, wait time standard, geographic eligibility, and non-VA care issues that needed to be addressed. Fortunately, the Veterans Choice Program has been a top priority for VA and Congress. As a result, several issues that accompanied the roll-out have been resolved.

The VFW continues to play an integral part in identifying new issues the Veterans Choice Program faces and recommending reasonable solutions to such issues. Yesterday, we published the second report on the implementation of the Veterans Choice Program. All our reports can be found on our VA Health Care Watch Website, www.vfw.org/VAWatch. Our second Veterans Choice Program report found that the implementation of the program has improved. However, more works remains. The second report includes 12 recommendations regarding several issues that must be addressed to ensure the program accomplishes its intended goal of improving access to high quality health care for America's veterans.

Participation Gap

The VFW's initial report identified a gap between the number of veterans who were eligible for the Veterans Choice Program and those afforded the opportunity to receive non-VA care. Our report found that VA has made progress in addressing this gap. However VA must continue to improve its processes and training to ensure all veterans who are eligible for the Veterans Choice Program are given the opportunity to receive timely access to health care in their communities.

Thirty-eight percent of second survey participants who believed they were eligible for the program were offered the opportunity to receive non-VA care. This is a 12 percent increase from our initial survey. Yet, the VFW continues to hear from veterans who report that the schedulers they speak to are unaware of the program or are unsure how it works.

For 30-dayers, participation continues to hinge on VA schedulers informing veterans that they are eligible for the program. The lack of system wide training for schedulers and frontline staff has led to a reliance on local facility driven training, which VA admits has resulted in inconsistent training. To mitigate this issue, VA has developed system wide training for all VHA staff, which it intends to implement later this month. VA will also conduct specialized training for scheduling staff to ensure they are familiar with the Veterans Choice Program's business processes and know how to properly serve eligible veterans.

The VFW applauds such efforts, but we are concerned that training will not have the desired outcome if VA fails to implement proper quality assurance processes. For example, the program's contractors, Health Net and TriWest, monitor their call center representatives to ensure they provide accurate information about the program. Doing so allows them to identify call center representatives who need remedial training. They also utilize quality assurance mechanisms to improve training to ensure veterans receive high quality customer service. VA can benefit from adopting similar processes to ensure VA staff provide high quality customer service and adhere to training objectives.

The VFW acknowledges that the participation gap will not be eliminated with training alone. Regardless of how well VA trains its staff, human error will lead to veterans not being properly informed of their opportunity to receive health care in their communities. To address this issue, VA implemented the Veterans Choice Program Outreach Campaign to contact more than 100,000 veterans who were initially eligible for the Veterans Choice Program as 30-dayers. The program concluded in February and resulted in VA staff transferring approximately 30 percent of the veterans it contacted to the Veterans Choice Program call centers. VA would benefit from implementing an automated letter or robocall system that would continue the work of the Veterans Choice Program Outreach Campaign.

The VFW's second Veterans Choice Program report also found a decrease in patient satisfaction among veterans who received non-VA care through the Veterans Choice Program. Feedback from veterans shows that the primary reason for the decline in satisfaction has been a direct result of their inability to find viable private sector health care options. Many veterans have reported that they chose to keep their VA appointments because they were unable to find private sector providers closer than their VA medical facilities, or their appointments at VA were earlier than what they were able to obtain in the private sector.

Health Net and TriWest have candidly acknowledged that scheduling veterans within 30 days is unattainable in certain instances. The reasons differ case by case, but are generally associated with a lack of availability in the private sector or a delay in receiving the VA medical documentation needed to schedule an appointment. For example, TriWest reports that in many communities wait times for a new dermatology patient are often 60 or even 90 days out. This indicates that health care in the private sector is not widely available for all specialties, especially when veterans seek veteran-specific care that does not exist in the private sector, such as spinal cord injury and disorder care, polytrauma treatment and services, and specialized mental health care.

The VFW is concerned that local facilities may also contribute to the delay or inability to schedule non-VA care appointments through the Veterans Choice Program. Our report found that some local VA medical facilities were slow to provide the medical documentation needed to schedule appointments through the program. We also found that some VA medical facilities were slow to process requests for follow-up treatment through the program. For example, a veteran in Fredericksburg, Virginia, was authorized to receive back surgery through the program, but his appointment was delayed because the Richmond VA Medical Center had not sent the medical documentation his private sector doctor needed to schedule his surgery. After receiving surgery, the veteran was prescribed postoperative physical therapy. Unfortunately, he was unable to schedule his physical therapy appointments until the Richmond VA Medical Center approved the treatment. It took nearly a month for his non-VA physical therapy to be approved.

Furthermore, the VFW is concerned with the lack of private sector providers opting to participate in the program. Due to reimbursement rates and requirements to return medical documentation, some private sector providers have been reluctant to participate in the Veterans Choice Program network when they have a preexisting agreement with a VA medical facility. Such agreements often allow for higher reimbursement rates or do not require the non-VA provider to return medical documentation. The VFW is concerned that the reliance on local agreements has limited Health Net's and TriWest's ability to build capacity by expanding their Choice networks. VA must issues clear directives on how to properly utilize purchase care programs and authorities to ensure local medical facilities do not prevent the Veterans Choice Program's contractors from expanding their networks to better serve veterans.

Wait Time Standard

The VFW's initial report highlighted several flaws in the way VA calculates wait times. Unfortunately, our second report found that this flawed metric is still being used. VA's wait time standard still requires veterans to wait unreasonably long and remains susceptible to data manipulation.

VA's current wait time standard requires a veteran to wait at least 30 days beyond the date a veteran's provider deems clinically necessary, or clinically indicated date, before being

considered eligible for the Veterans Choice Program. This means that a veteran who is told by his or her VA doctor that he or she needs to be seen within 60 days is only eligible for the Veterans Choice Program if he or she is scheduled for an appointment that is more than 90 days out, or more than 30 days after the doctor's recommendation. The VFW remains concerned that veterans' health may be at risk if they are not offered the ability to receive care within the timeframe their VA providers deem necessary, regardless of whether the care is received through a VA medical facility or the Veterans Choice Program.

Furthermore, VA's wait time standard is not aligned with the realities of waiting for a VA health care appointment. Forty-five percent of the 1,464 survey respondents who have scheduled an appointment since November 5, 2014 reported waiting more than 30 days for their appointment. Yet, VA data on more than 70.8 million pending appointments between November 1, 2014 and April 15, 2015 shows that fewer than seven percent of such appointments were scheduled beyond 30 days of a veteran's preferred date.

VA's preferred date metric is a figure determined subjectively by VA schedulers when veterans call to make an appointment. The VFW has long disputed the validity of this figure, which we outlined in detail in our initial report. Our second Veterans Choice Program report found that veterans who perceive they wait longer than 30 days for care, regardless of how long VA says they wait, are more likely to be dissatisfied than veterans who perceive that VA has offered them care in a timely manner. Patient satisfaction is fundamental to the delivery of health care. Ultimately, satisfaction is based on how long veterans perceive they wait, not how VA estimates wait times. VA must take veterans' perceptions into account when establishing standards to measure how long veterans wait for their care.

The VFW and our Independent Budget (IB) partners have continued to call for VA to develop reasonable wait time standards based on acuity of care and specialty. Arbitrary system-wide deadlines do not fully account for the difference between the types and acuity of care veterans receive from VA. Waiting too long for health care can be the difference between life and death for veterans with urgent medical conditions. For example, a veteran with severe post-traumatic stress disorder should not be required to wait 30 days for treatment.

As part of the 12 independent assessments being conducted by the MITRE Corporation, et al., which were mandated by section 201 of VACAA, the Institute of Medicine (IOM) is currently evaluating if VA's wait time standard is an appropriate system wide access standard. The VFW will monitor IOM's work to ensure its recommendations serve the best interest of veterans.

Geographic Eligibility

On March 24, 2015, VA announced the most significant change that has occurred since the Veterans Choice Program was created. VA listened to the concerns of countless veterans and changed the way it calculated distance for the Veterans Choice Program from straight-line distance to driving distance. The change went into effect on April 24, 2015 and gave nearly 300,000 additional veterans the opportunity to choose whether to receive their health care through private sector providers or travel to a VA medical facility. The VFW applauds VA for taking the initiative and fixing an issue that confused veterans and caused frustration.

However, this change did not address another significant flaw in eligibility for the Veterans Choice Program. The VFW continues to hear from veterans who report that their local Community-Based Outpatient Clinics are unable to provide them the care they need, so VA

requires them to travel long distances to a VA medical center. In order to properly account for the travel burden veterans face when accessing VA health care, geographic eligibility for the Veterans Choice Program should be based on the calculated distance to facilities that provide the care they need, not facilities that are unable to serve them. For example, a veteran from Jacksonville, Florida, is required to travel to the VA medical center in Gainesville to see a neurologist because the Jacksonville clinic does not have a neurologist on staff that can see her.

The 40 mile standard was based on eligibility for TRICARE Prime. However, there is a distinct difference between the military population and the veteran population. According to VA's Office of Rural Health, youths from sparsely populated areas are more likely to join the military than those from urban areas. During their service, they are likely to live near military installations, which often have military treatment facilities. However, when they leave military service, 36 percent of veterans who enroll in the VA health care system return to rural areas. Although VA has made an attempt to expand capacity to deliver care where veterans live, it has not been able to, nor should it in some instances, expand its facilities to cover all veterans. Thus, using the same standard to measure distance that service members and their families travel to military treatment facilities to measure distance traveled by veterans to VA medical facilities, does not properly account for the diversity of the veteran population.

Feedback we have received from veterans indicates that a commute time standard based on population density (urban, rural, highly-rural) would more appropriately reflect the travel burden veterans face when accessing VA health care. However, the VFW recognizes that any established standard will be imperfect. Thus, VA must have the authority to make clinically based exceptions. Regardless, a study must be commissioned to determine the most appropriate geographic eligibility standard for health care furnished by the VA health care system. IOM is currently evaluating the way VA calculates wait times, yet no one has been asked to evaluate whether the 40-mile standard is appropriate.

While changes are made to the Veterans Choice Program, VA must fully utilize all of its purchased care programs and authorities, such as the Patient-Centered Community Care Program, to ensure veterans have timely access to high quality care. The VFW continues to believe that veterans should be afforded the opportunity to obtain care closer to home if VA care is not readily available, especially when veterans have an urgent medical need.

VA's Purchased Care Model

The Veterans Choice Program was intended to address the inconsistent use of VA's decentralized non-VA care programs and evaluate whether national standards for access to non-VA care would improve access. The VFW is committed to ensuring such standards serve the best interest of veterans who rely on VA for their health care needs. Fortunately, the Veterans Choice Program is succeeding in improving access to care for thousands of veterans. The problem remains that many veterans who are eligible for the program have yet to be given the opportunity to receive non-VA care.

As the future of the Veterans Choice Program and VA's purchased care model are evaluated, the VFW believes it is important to recognize that the quality of care veterans receive from VA is significantly better than what is available in the private sector. In fact, studies conducted by the RAND Corporation and other independent entities have consistently concluded that the VA

health care system delivers higher quality health care than private sector hospitals.[1] Additionally, independent studies have also found that delivering VA health care services through private sector providers is more costly.[2]

Moreover, many of VA's capabilities cannot be readily duplicated or properly supplemented by private sector health care systems – especially for issues like combat-related mental health conditions, blast injuries, or service-related toxic exposures. With this in mind, the VFW believes that VA must continue to serve as the initial touch point and guarantor of care for all enrolled veterans. As advocates for the creation and continued improvement of the VA health care system, the VFW understands that enrollment in the VA health care system is not mandatory. Yet, more than 9 million veterans have chosen to enroll and 6.5 million of them choose to rely on VA for their care, despite 75 percent of them having other forms of health care coverage. Additionally, veterans who have chosen to utilize their earned VA health care benefits are by and large satisfied with the care they receive.

The VFW believes that veterans should continue to request a VA appointment prior to becoming eligible for non-VA care. This will ensure that VA upholds its obligation as the guarantor and coordinator of care for enrolled veterans, which includes ensuring the care veterans receive from non-VA providers meets department and industry safety and quality standards. Doing so allows VA to provide a continuum of care that is unmatched by any private sector health care system.

Moving forward, the lessons learned from this important program should be incorporated into a single, system-wide, non-VA care program with veteran-centric and clinically driven access standards, which will afford veterans the option to receive care from private sector health care providers when VA is unable to meet such standards. Such a program must also include a reliable case management mechanism to ensure veterans receive proper and timely care and a robust quality assurance mechanism to ensure system wide directives and standards are met.

Non-VA care must supplement the care veterans receive at VA medical facilities, not replace it. Ideally, VA would have the capacity to provide timely access to direct care for all the veterans it serves. We know, however, that VA medical facilities continue to operate at 119 percent capacity, and may never have the resources needed to build enough capacity to provide direct care to the growing number of veterans who rely on VA for their health care needs.

VA must continue to expand capacity based on staffing models for each health care specialty and patient density thresholds. However, the VFW recognizes that in the 21st century, VA cannot rely on building new facilities alone. When thresholds are exceeded, VA must use leasing and sharing agreements with other health care systems, such as military treatment facilities, Indian Health Service facilities, federally-qualified health centers, and affiliated hospitals when possible and purchase care when it cannot.

To ensure the VA health care system provides veterans the timely access to high quality health care they have earned and deserve, VA must conduct recurring assessments and future years planning to quickly address access, safety, and utilization gaps. The VFW recognizes that these

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[1] "Socialized or Not, We Can Learn from the VA," Arthur L.Kellermannhttp, RAND Corporation. August 8, 2012, www.rand.org/blog/2012/08/socialized-or-not-we-can-learn-from-the-va.html.

[2] "Comparing the Costs of the Veterans' Health Care System with Private-Sector Costs," Congressional Budget Office. December 10, 2014, https://www.cbo.gov/publication/49763.

improvements will not happen overnight, but veterans cannot be allowed to suffer in the meantime. Non-VA care must continue to serve as a reliable bridge between full access to direct care and where we are now.

The VFW is committed to working with Congress, VA, our veterans service organization partners and other stakeholders to continue monitoring changes to the Veterans Choice Program and VA's purchased care model; evaluate what is working; identify shortcomings; and work toward reasonable solutions.

A copy of the VFW's second Veterans Choice Program report has been sent to the Committee and I kindly request it be included in the record.

Mr. Chairman, this concludes my testimony. I am prepared to take any questions you or the Committee members may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, VFW has not received any federal grants in Fiscal Year 2014, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.