



STATEMENT FOR THE RECORD
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BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS

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Chairman Miller, Ranking Member Takano, and distinguished Members of the Committee,

Since 1944, AMVETS (American Veterans) has been one of the largest congressionally-chartered veterans' service organizations in the United States and includes members from each branch of the military, including the National Guard, Reserves, and Merchant Marine. We provide support for the active military and all veterans in procuring their earned entitlements, and appreciate the opportunity to present our views at this oversight hearing, "*From Tumult to Transformation: The Commission on Care and the Future of the VA Healthcare System.*"

As widely noted, the Commission on Care was established by section 202 of Public Law 113-146 and worked for ten months examining veterans' access issues with the Department of Veterans Affairs (VA) health care, and talked with many experts and veterans services organization leaders on how best to organize the Veterans Health Administration (VHA) to ensure successful delivery of high-quality health care to qualifying veterans over the next two decades.

The Commission released its final report on June 30, 2016 and developed 18 recommendations intended for the purpose of extensive organizational transformation, not a disjointed fix to everyday issues.

Redesigning the Veterans' Health Care Delivery System

The VHA Care System

Recommendation #1: Across the United States, with local input and knowledge, VHA should establish high-performing, integrated community health care networks, to be known as the VHA Care System, from which veterans will access high-quality health care services.

The Commission Recommends That:

- VHA Care System governing board (see Recommendation #9) develop a national delivery system strategy, including criteria and standards for creating the VHA Care System, comprising high-performing, integrated, community-based health care networks, including VHA providers and facilities, Department of Defense (DoD) and other federally-funded providers and facilities, and VHA-credentialed community providers and facilities.

- Develop integrated community-based health care networks with input of local VHA leadership to ensure their composition is reflective of local needs and veterans' preferences.
- Integrated, community-based health care networks must include existing VHA special emphasis resources. In areas where VHA has special expertise, VHA should enhance care by collaborating with community care providers to implement services that may not exist.
- Build out networks in a well-planned, phased approach, overseen by the new governing board, which determines the criteria for the phases to ensure effective strategic execution.
- VHA credential community providers. To qualify for participation in community networks, providers must be fully credentialed with appropriate education, training, and experience, provide veteran access that meets VHA standards, demonstrate high quality clinical and utilization outcomes, demonstrate military cultural competency, and have capability for interoperable data exchange.
- Providers in the networks should be paid using the most contemporary payment approaches available to incentivize quality and appropriate utilization of health care services.
- The highest priority access to the VHA Care System to be provided to service-connected and low-income veterans.
- Eliminate current time/distance criteria (30 days/40 miles) for community care access.
- Veterans choose a primary care provider from credentialed primary care providers in the VHA Care System.
- All primary care providers in the VHA Care System coordinate care for veterans.
- VHA Care System provides veterans with health care coordination and navigation support.
- Veterans choose their specialty care providers from credentialed specialty care providers in the VHA Care System with a referral from their primary care provider.

The Commission noted that the temporary Choice Program has proven to be flawed, and that VHA must instead establish high-performing, integrated, community-based health care networks, to be known as the VHA Care System. With the exception of the creation and involvement of a governing board, AMVETS supports this recommendation and will continue to work with VA in its goal of consolidating Community Care Programs through the MyVA initiative.

Recommendation #2: Enhance clinical operations through more effective use of providers and other health professionals, and improved data collection and management.

The Commission Recommends That:

- VHA increase the efficiency and effectiveness of providers and other health professionals and support staff by adopting policies to allow them to make full use of their skills.
- Congress relieve VHA of bed closure reporting requirements under the Millennium Act.
- VHA continue to hire clinical managers and move forward on initiatives to increase the supply of medical support assistants.

AMVETS is in support of this recommendation.

Recommendation #3: Develop a process for appealing clinical decisions that provides veterans protections at least comparable to those afforded patients under other federally supported programs.

The Commission Recommends That:

- VHA convene an interdisciplinary panel to assist in developing a revised clinical appeals process.

AMVETS is in support of this recommendation and believes that there needs to be a national process in place for veterans to appeal clinical decisions that is equitable and easy to understand.

Recommendation #4: Adopt a continuous improvement methodology to support VHA transformation, and consolidate best practices and continuous improvement efforts under the Veterans Engineering Resource Center.

The Commission Recommends That:

- The Veterans Engineering Resource Center (VERC) assist in transformation efforts, particularly in areas of access and that affect system-wide activities and require substantial change, such as human resources management, contracting, purchasing, and information technology.
- The many idea and innovation portals within VHA be consolidated under VERC.
- A culture to inspire and support continuous improvement of workflow processes be developed and fully funded.
- VHA's reengineering centers be enabled to proactively identify problem areas within the system and offer assistance.

AMVETS is in support of this recommendation.

Health Care Equity

Recommendation #5: Eliminate health care disparities among veterans treated in the VHA Care System by committing adequate personnel and monetary resources to address the causes of the problem and ensuring the VHA Health Equity Action Plan is fully implemented.

The Commission Recommends That:

- VHA work to eliminate health disparities by making health care equity a strategic priority.
- VHA provide the Office of Health Equity adequate resources and the authority to build cultural and military competence among all VHA Care System providers and employees.
- VHA ensure that the Health Equity Action Plan is fully implemented with adequate staffing, resources, and support.
- VHA increase the availability, quality, and use of race, ethnicity, and language data to improve the health of minority and other vulnerable veterans with strong surveillance systems that monitor trends in health status, patient satisfaction, and quality measures.

AMVETS is in support of this recommendation.

Facility and Capital Assets

Recommendation #6: Develop and implement a robust strategy for meeting and managing VHA's facility and capital-asset needs.

The Commission Recommends That:

- VA leaders streamline and strengthen the facility and capital asset program management and operations.
- The VHA Care System governing board be responsible for oversight of facility and capital asset management.
- Congress provide VHA greater budgetary flexibility to meet its facility and capital asset needs and greater statutory authority to divest itself of unneeded buildings.
- Congress enact legislation to establish a VHA facility and capital asset realignment process based on the DoD Base Realignment and Closure Commission (BRAC) process to be implemented as soon as practicable. The Commission recommends the VHA Care System governing board subsequently make facility decisions in alignment with system needs.
- New capital be focused on ambulatory care development to reflect health care trends.
- VHA move forward immediately with repurposing or selling facilities that have already been identified as being in need of closing.

With the exception of the creation and involvement of a governing board, AMVETS supports this recommendation.

Information Technology

Recommendation #7: Modernize VA's IT systems and infrastructure to improve veterans' health and well-being and provide the foundation needed to transform VHA's clinical and business processes.

The Commission Recommends That:

- VHA establish a Senior Executive Service (SES)-level position of VHA Care System chief information officer (CIO), selected by and reporting to the chief of VHA Care System (CVCS) with a dotted line to the VA CIO. The VHA CIO is responsible for developing and implementing a comprehensive health IT strategy and developing and managing the health IT budget.
- VHA procure and implement a comprehensive, commercial off-the-shelf (COTS) IT solution to include clinical, operational and financial systems that can support the transformation of VHA as described in this report.

AMVETS is in support of this recommendation.

Supply Chain

Recommendation #8: Transform the management of the supply chain in VHA.

The Commission Recommends That:

- VHA establish an executive position for supply chain management, the VHA chief supply chain officer (CSCO), to drive supply chain transformation in VHA. This individual should be compensated relative to market factors.
- VA and VHA reorganize all procurement and logistics operations for VHA under the CSCO to achieve a vertically integrated business unit extending from the front line to central office. This business unit would be responsible for all functions in a fully integrated procure-to-pay cycle management.
- VA and VHA establish an integrated IT system to support business functions and supply chain management; appropriately train contracting and administrative staff in supply chain management; and update supply chain management policy and procedures to be consistent with best practice standards in health care.
- VHA support the Veterans Engineering Resource Center (VERC) Supply Chain Modernization Initiative including consistent support from leadership, continued funding and personnel, and the alignment of plans and funding within OIT to accomplish the modernization goals.

AMVETS is in support of this recommendation.

Governance, Leadership, and Workforce

Board of Directors

Recommendation #9: Establish a board of directors to provide overall VHA Care System governance, set long-term strategy, and direct and oversee the transformation process.

The Commission Recommends That:

- Congress provide for the establishment of an 11-member board of directors accountable to the President, responsible for overall VHA Care System governance, and with decision-making authority to direct the transformation process and set long-term strategy. The Commission also recommends the governing board not be subject to the Federal Advisory Committee Act (FACA) and be structured based on the key elements included in Table 5.
- The Board recommend a chief of VHA Care System (CVCS) to be approved by the President for an initial 5-year appointment. Additionally, the Commission recommends the governing board be empowered to reappoint this individual for a second 5-year term, to allow for continuity and to protect the CVCS from political transitions. If necessary, the CVCS can be removed by mutual agreement of the President and the governing board.

AMVETS does not support establishing a board of directors to be responsible for overall VHA governance.

Leadership

Recommendation #10: Require leaders at all levels of the organization to champion a focused, clear, benchmarked strategy to transform VHA culture and sustain staff engagement.

The Commission Recommends That:

- VHA create an integrated and sustainable cultural transformation by aligning all programs and activities around a single, benchmarked concept.
- VHA align leaders at all levels of the organization in support of the cultural transformation strategy and hold them accountable for this change.
- VHA establish a transformation office to drive progress and report on it to the CVCS and the new VHA Care System board of directors.

With the exception of the creation and involvement of a governing board, AMVETS supports this recommendation.

Recommendation #11: Rebuild a system for leadership succession based on a benchmarked health care competency model that is consistently applied to recruitment, development, and advancement within the leadership pipeline.

The Commission Recommends That:

- VA establish, as an OMB management priority for VHA, the goal of implementing an effective leadership management system in the agency.
- VHA executives prioritize the leadership system for funding, strategic planning, and investment of their own time and attention.
- VHA adopt and implement a comprehensive system for leadership development and management that includes a strategic priority of diversity and inclusion.
- Congress create more opportunities to attract outside leaders and experts to serve in VHA through new and expanded authority for temporary rotations and direct hiring of health care management training graduates, senior military treatment facility leaders, and private not-for-profit and for-profit health care leaders and technical experts.

AMVETS is in support of this recommendation.

Recommendation #12: Transform organizational structures and management processes to ensure adherence to national VHA standards, while also promoting decision making at the lowest level of the organization, eliminating waste and redundancy, promoting innovation, and fostering the spread of best practices.

The Commission Recommends That:

- VHA redesign VHA Central Office (VHACO) to create high-performing support functions that serve VISNs and facilities in their delivery of veteran-centric care.
- VHA clarify and define the roles and responsibilities of the VISNs, facilities, and reorganized VHA program offices in relation to one another, and within national standards, push decision making down to the lowest executive level with policies, budget, and tools that support this change.
- VHA establish leadership communication mechanisms within VHACO and between VHACO and the field to promote transparency, dialogue, and collaboration.

- VHA establish a transformation office, reporting to the CVCS with broad authority and a supporting budget to accomplish the transformation of VHA and manage the large-scale changes outlined throughout this report.

AMVETS is in support of this recommendation.

Recommendation #13: Streamline and focus organizational performance measurement in VHA using core metrics that are identical to those used in the private sector, and establish a personnel performance management system for health care leaders in VHA that is distinct from performance measurement, is based on the leadership competency model, assesses leadership ability, and measures the achievement of important organizational strategies.

The Commission Recommends That:

Organizational Performance Measurement

- VHA streamline organizational performance measures, emphasize strategic alignment and meaningful effect, and use benchmarked measures that allow a direct comparison to the private sector.
- The new Office for Organizational Excellence work with experts to reorganize its internal structure to align business functions with field needs and consolidate and eliminate redundant or low-priority activities.

Personnel Performance Management System

- VHA create a new performance management system appropriate for health care executives, tied to health care executive competencies, and benchmarked to the private sector.
- The CVCS and all secondary raters hold primary raters accountable for creating meaningful distinctions in performance among leaders.
- VHA recognize meaningful distinctions in performance with meaningful awards.

AMVETS is in support of this recommendation.

Diversity and Cultural Competence

Recommendation #14: Foster cultural and military competence among all VHA Care System leadership, providers, and staff to embrace diversity, promote cultural sensitivity, and improve veteran health outcomes.

The Commission Recommends That:

- VHA implement a systemic approach to establishing cultural and military competence across VHA and its community providers, and provide the resources required to fully integrate the related strategy into veterans' care delivery.
- Cultural and military competency training be required on a regular basis for VHA Care System leadership, staff, and providers.

- Cultural and military competency be criteria for allowing community providers to participate in the VHA Care System.

AMVETS is in support of this recommendation.

Workforce

Recommendation #15: Create a simple-to-administer alternative personnel system, in law and regulation, which governs all VHA employees, applies best practices from the private sector to human capital management, and supports pay and benefits that are competitive with the private sector.

The Commission Recommends That:

- Congress create a new alternative personnel system that applies to all VHA employees and falls under Title 38 authority. The system must simplify human capital management in VHA; increase fairness for employees; and improve flexibility to respond to market conditions relating to compensation, benefits, and recruitment.
- VHA write and implement regulations for the new alternative personnel system, in collaboration with union partners, employees, and managers, that:
 - Meets benchmark standards for human capital management in the health care sector and is easy for HR professionals and managers to administer;
 - Promotes veteran preferences and hiring;
 - Embodies merit system principles through simplified, sensible processes that work for managers and employees;
 - Creates one human capital management process for all employees in VHA for time and leave, compensation, advancement, performance evaluation, and disciplinary standards/processes;
 - Provides due process and appeals standards to adverse personnel actions;
 - Allows for pay advancement based on professional expertise, training, and demonstrated performance (not time-in-grade);
 - Promotes flexibility in organizational structure to allow positions and staff to grow as the needs of the organization change and the success of each individual merits;
 - Establishes simplified job documentation that is consistent across job categories and describes a clear path for staff professional development and career trajectories for advancement;
 - Eliminates most distinctions (except for benefits) between part-time and full-time employees; and
 - Grandfathers current employees with respect to pay and benefits.
- VHA ensure all positions, to include human resources management staff, are adequately trained to fulfill duties.

AMVETS is in support of this recommendation and believes it is crucial for recruiting and retention that VHA employees receive pay and benefits on par with the private sector, and that reliable funding in place to ensure the continuity of this measure.

Recommendation #16: Require top executives to lead the transformation of HR, commit funds, and assign expert resources to achieve an effective human capital management system.

The Commission Recommends That:

- VHA hire a chief talent leader who holds responsibility for the operation’s entire HR enterprise, is invested with the authority and budget to accomplish the envisioned transformation, and reports directly to the chief of VHA Care System.
- VA and VHA prioritize the transformation of human capital management with adequate attention, funding, and continuity of vision from executive leaders.
- VA align HR functions and processes to be consistent with best practice standards of high-performing health care systems.
- VA Human Resources and Administration and the Office of Information and Technology should create an HR information technology plan to support modernization of the HR processes and to provide meaningful data for tracking, quality improvement, and accountability.

AMVETS is in support of this recommendation.

Eligibility

Recommendation #17: Provide a streamlined path to eligibility for health care for those with an other-than-honorable discharge who have substantial honorable service.

The Commission Recommends That:

- VA revise its regulations to provide tentative eligibility to receive health care to former service members with an OTH discharge who are likely to be deemed eligible because of their substantial favorable service or extenuating circumstances that mitigate a finding of disqualifying conduct.

AMVETS is in support of this recommendation and emphasizes those “who are likely to be deemed eligible” instead of a blanket opening of the system to all veterans with an other-than honorable discharge. Our organization has heard from many veterans who were improperly diagnosed or treated for their invisible wounds – some 40 years ago and others much more recently. Considerable progress has been made in the last decade in regards to identifying behavioral and physical symptoms of mild-to-moderate traumatic brain injuries and post-traumatic stress disorder. Veterans who honorably served prior to exhibiting these symptoms deserve a path to eligibility to access the specialized health care that VA offers.

Recommendation #18: Establish an expert body to develop recommendations for VA care eligibility and benefit design.

The Commission Recommends That:

- The President or Congress task another body to examine the need for changes in eligibility for VA care and/or benefits design, which would include simplifying eligibility criteria, and

may include pilots for expanded eligibility for nonveterans to use underutilized VHA providers and facilities, providing payment through private insurance.

- The SECVA revise VA regulations to provide that service-connected-disabled veterans be afforded priority access to care, subject only to a higher priority dictated by clinical care needs.

AMVETS is not in support of this recommendation. On March 13, 2015 VA announced the formation of the MyVA Advisory Committee (MVAC) which brought together experts from the private, non-profit, and government sectors to advise the Secretary of Veterans Affairs on improving customer service, veteran outcomes, and setting the course for long-term reform and excellence. MVAC currently has 12 priorities which are to:

- Improve the Veterans Experience
- Increase Access to Health Care
- Improve Community Care
- Deliver a Unified Veterans Experience
- Modernize VA's Contact Centers
- Improve the Comp & Pension Exam
- Develop a Simplified Appeals Process
- Continue to Reduce Veteran Homelessness
- Improve Employee Experience
- Staff Critical Positions
- Transform OIT
- Transform Supply Chain

AMVETS believes it would be in the best interest of VA to continue to work with the MVAC on additional goals, as needed, but to not dilute the current well-founded relationship. In fact, many of the recommendations in the Commission on Care report touch on the priorities that VA is working towards and where they have acknowledged work needs to be done.

It is clear from many ongoing and recent reports that the VA health care veterans receive is on par or better than the private sector, high-quality, specialized, and patients are satisfied with the outcome. Access to care remains the most unstable part of the equation, yet measureable progress is being made. As stated earlier, AMVETS supports VA's plan to consolidate community care to address the access issue, and looks forward to its further implementation.

Mr. Chairman and members of the Committee, this concludes my testimony and would be happy to answer any questions the Committee may have.