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FULFILLING OUR PROMISES
TO THE MEN AND WOMEN WHO SERVED

***STATEMENT OF***
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***FOR THE RECORD OF THE COMMITTEE ON VETERANS' AFFAIRS***
***UNITED STATES HOUSE OF REPRESENTATIVES***
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Mr. Chairman and Members of the Committee:

Thank you for inviting DAV (Disabled American Veterans) to testify on the Department of Veterans Affairs (VA) Information Technology (IT) modernization projects, programs and needs. As you know, DAV is a non-profit veterans service organization comprised of 1.3 million wartime service-disabled veterans that is dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity. Virtually all of our members rely on the VA health care system for some or all of their health care, particularly for specialized treatment related to injuries and illnesses they incurred in service to the nation.

## INFORMATION SECURITY

In order for veterans to access and utilize VA benefits and services, we are required to provide and sign over control of personal information to VA. But over the last decade, challenges in VA's information security practices have led to unintended loss of veterans information including exposure of Personally Identifiable Information (PII). Such losses erode our confidence in the Department, may cause some veterans to not engage or disengage and not receive critical services and support they need and have earned.

Under the Federal Information Security Management Act, or FISMA, VA's Office of Inspector General (OIG) is required to assess VA's information security programs, procedures and practices against FISMA requirements, applicable National Institute for Standards and Technology guidelines for information security and risk management, and the annual reporting requirements from the Office of Management and Budget.

In 2012, VA's Office of Information Technology (OIT) launched the Continuous Readiness in Information Security Program (CRISP), a three-pronged approach towards information security, addressing annual reporting requirements and ongoing system security weaknesses, with the goal of transforming how the Department accesses, transfers, and protects information. It is encouraging to see OIG and OIT working collaboratively to identify weaknesses and foster continuous improvements in an environment with shifting priorities, changing requirements and creating new objectives.

Meeting information security in such a complex environment among inter and intra-agencies takes time to mature and show evidence of their effectiveness and we appreciate Congress' supportive and vigilant oversight of the Department efforts in operationalizing its IT Enterprise Strategy to address persistent internal challenges.

## MEANINGFUL INTEROPERABILITY

Over the last decade, more veterans are coming to VA at significantly higher rates. To leverage technology and ensure timely and accurate delivery of veterans' benefits and services, VA IT systems must have efficient and meaningful interoperability.

Seamless flow of electronic information from DOD, other government agencies and private organizations is vital to support efficient and accurate processing of disability, pension and other claims veterans file with Veterans Benefits Administration (VBA).

Central to the VBA claims processing is the development of new organizational model and a new IT system, known as the Veterans Benefits Management System (VBMS). Deployed nationally in 2013, VBMS is a web-based electronic claims processing solution that serves as VBA's technology platform for quicker, more accurate processing. Improvement in interagency interoperability are needed and discussed in more detail in the VA Reform Efforts section below.

For the Veterans Health Administration (VHA), the constant drive to achieve more cost-effective and high-quality care, meaningful interoperability to facilitate care coordination and effective patient and population health management must remain a high priority for VA and Congress.

The development of the Joint Legacy Viewer as an interim solution is a significant and positive step in providing clinicians in the VHA and DOD real-time access to integrated medical information from VA and service treatment records from DOD. Such an enhancement greatly increases the clinician's ability to use best practices in clinical care and provide appropriate treatment.

But a majority of VA's veteran patient population receives care from other federal health care systems and the private sector. As this Committee is aware, VA is prohibited from sharing health information due to title 38, United States Code, § 7332, except when required in emergencies, without written authorized consent from the patient. This requires legislative relief and DAV recommends Congressional action to amend this section while applying all protections under HIPAA.

It should be noted however that addressing the legislative prohibition will help increase health information sharing and not necessarily interoperability. Gaps in clinical data standards and tailoring of the Veterans Health Information Systems and Technology Architecture (VistA) to meet local VA facility needs is delaying Joint Legacy Viewer (JLV) enhancements to allow other federal and private health care providers to share information and be available to VA and DOD clinicians through JLV. These same challenges will need to be address when developing a long-term solution to replace JLV.

## THE AGING VistA

One of the greatest challenge for VHA is its aging Veterans Health Information Systems and Technology Architecture (VistA), a self-developed public domain software. VistA has software modules for clinical care, financial and infrastructure functions. The Computerized Patient Record System (CPRS)—the primary computer application that VA clinicians' use when treating veteran patients—set the standard for electronic health record (EHR) systems in the United States and has been publicly praised by many independent observers.

VistA is now aging not having received the attention needed to maintain its pioneering status and lags in some areas behind some commercial systems. To modernize VistA, VA introduced VistA Evolution in 2014 as a joint program between VA OIT and VHA to address several challenges in information security and risk management, business processes, clinical care, patient engagement, etc.

However, VA and VHA have changed direction numerous times since the introduction of VistA Evolution and its reverberations are causing confusion within the Department. Today, as major reforms are being made in VBA and VHA, the agency has still not made a decision on whether it should move forward with VistA or follow the lead of the DOD and procure a commercial EHR system.

As the new Secretary of Veterans Affairs assumes the office, we strongly urge this decision to be one of the first to be made. Whether it is to modernize or replace VistA, VA should ensure its strategic and operational plan should be the prominence of VistA (the database, systems and applications) were developed in close collaboration between clinicians, programmers, developers and engineers.

The size and scope to modernize VHA's IT infrastructure requires the commitment from all levels of VA leadership and an improved enterprise-level management and governance. Not anymore, In addition, Congress must change how VA IT is currently budgeted by creating a separate VA health care IT account and funded through advanced appropriation.

## VA REFORM EFFORTS

### IT and Reforming the Claims and Appeals Process

To have efficient claims and appeals processing within VA, records of compensation and pension examinations, those from the DOD, other government agencies and businesses, must flow seamlessly within the electronic environment.

Heeding our calls to address outdated and ineffective infrastructure, leadership in the Veterans Benefits Administration (VBA) determined in 2010 that it would be necessary to completely and comprehensively transform and modernize its claims infrastructure and processes. The Secretary of Veterans Affairs established an ambitious goal of zero claims pending more than 125 days, and to complete all claims with 98 percent accuracy. These goals

are still guiding principles for VBA today. VBA outlined a three-year strategy to achieve these goals.

Central to the VBA claims processing is the development of new organizational model and a new IT system, known as the Veterans Benefits Management System (VBMS). Deployed nationally in 2013, VBMS is a web-based electronic claims processing solution that serves as VBA's technology platform for quicker, more accurate processing. To facilitate more efficient claims processing, VBMS collects and stores a veteran claimant's military service records, medical examinations and treatment records from VA, DOD, other federal and private sector health care providers.

VBMS also automates much of the adjudication process, improving workflow and the quality of disability. New technologies continue to be developed and deployed such as the Stakeholders Enterprise Portal (SEP), which allows stakeholders like DAV to perform our functions as representatives of veterans submitting claims for benefits and services. The National Work Queue (NWQ) is another piece of technology VBA recently deployed that is designed to increase its claims processing efficiency. The NWQ allows VBA to move its work among its 57 VA regional offices to balance its overall workload. The NWQ is still in its infancy and Congress must perform oversight to ensure this technology is functioning as intended to ensure tax payer dollars are being used optimally.

While incremental improvements in VBMS give us greater access and functionality to better serve veterans, their families and survivors, we agree with the Government Accountability Office's recommendation that VBA institute user and customer satisfaction goals for VBMS and conduct satisfaction surveys. However, we recommend these goals should apply to technology based on VBMS and other users and customers such as DAV and other veterans service organizations.

VBMS functionality must be improved for claims and appeals processing. At present, it requires enhancements for the Board of Veterans' Appeals (Board) to process appeals more efficiently. Although a substantial repository for documents, VBMS has been identified to be cumbersome in properly evaluating evidence and adjudicating claims in both the claims and appeals processing environments.

Presently, the Board is evaluating and implementing new technologies to replace its workload management system, the Veterans Appeals Control and Locator System (VACOLS). We believe any platform the Board finds best suited to its needs must facilitate seamless cross functionality for work requirements of VBA personnel, DAV, other VSOs and stakeholders involved in the claims and appeals process.

**IT and Reforming the VA Health Care System**

Access to VA care remains a challenge as the agency is required to provide care to an aging veteran patient population suffering from more chronic conditions with more complex health care needs, address disparities in care for women veterans, and delivering on the expectations of younger veterans in need of services and supports. The Department is expected

to provide needed care regardless of where the veteran resides and accomplish its health care mission with significant gaps in its health care workforce, limited authority to acquire and dispose of infrastructure to manage its footprint, and an evolving authority to purchase high quality care from community providers.

Because veterans are unable to receive care from the VA in a timely manner, DAV and our partners in *The Independent Budget* (VFW and PVA) have proposed creating a high-performing VA health care network comprised of VA, other federal, and community providers to create seamless health care access for enrolled veterans.

VHA must have robust state-of-the-art information technology and tools to integrate administrative processes (billing, claims payment, supply chain, infrastructure and workforce) and clinical processes (scheduling, interoperable electronic health record, and patient-centered navigation tools) aligned with VBA and the National Cemetery Administration to support VA's organizational mission.

**Patient Scheduling**

Veterans deserve high quality care and a fundamental aim for any health care system to deliver timely care. In 2008, DAV raised our concern about the validity of VA's data in measuring timely access to VA care and highlighted weaknesses in VA's scheduling software, ambiguous policies and inconsistent procedures. For example, VA's legacy Medical Appointment Program, first deployed in 1985, is a burdensome roll and scroll scheduling application. There have been a number of attempts to improve on this system since and current efforts include evaluating two concurrent pilot programs and an evaluation of a commercial off the shelf (COTS) solution, which has not yet been piloted. The COTS solution is intended to be a far more comprehensive solution and is expected to, among other things, include patient facing utility, standardize scheduling processes, data and business rules across VHA, and manage demand, supply and utilization of resources.

The two concurrent pilot programs include VistA Scheduling Enhancement (VSE) and the Veteran Appointment Request (VAR) application. VSE is intended to reducing the burden on schedulers using a modern graphical user interface layered on top of the Medical Appointment Scheduling System. After testing at 10 locations, VA has announced it will make a decision this week to make it broadly available across the health care system.

VAR is a mobile and online application for veterans to self-schedule primary care appointments and request assistance in booking both primary care and mental health appointments at the VA facilities where they receive care. In addition to scheduling appointments, veterans can use VAR to track appointment details and the status of requests, send messages about requested appointments, receive notifications and cancel appointments.

The COTS solution is intended to be a key component in VA's long-term strategy to address the aging VistA by improving scheduling and provide workflow management and analytics capabilities. If VA decides to pursue VSE and VAR and forgo a more comprehensive

COTS solution, it is imperative that VA address the gap it creates based on its long-term strategy to have a state-of-the art health information technology system.

**Telehealth**

Telehealth minimizes barriers associated with geography by using technology to deliver timely care. It also alleviates some of the struggles in the VA health care system from increasing cost of care to the shortage of VA clinicians.

To facilitate greater use of telemedicine, Congress must enact legislation to allow any VA clinician licensed to provide telemedicine to do so to any veteran enrolled in the VA health care system. Equally important, VA should address the current requirement to privilege and credential telehealth providers at each location the provider is to deliver telemedicine. Proposals include centrally administering credentialing and privileging or establish a national service agreement to grant providers national level privileges and credentials rather than requiring privileges and credentials for each VA facility.

**Purchasing Care in the Community**

In fiscal year (FY) 2016, nearly a third of all medical appointment (25.5 million of 83.8 million appointments) was made with community providers—a 61 percent growth from FY 2014. Yet when referring veterans to community care, VHA continues to experience challenges in processing claims and payments. Timely and accurate claims processing and payment is as important to community providers as it is to veterans (who are at risk of being billed and sent to collections when community providers are not paid).

Despite the tremendous growth in claims processing workload, commensurate resources have not been dedicated to make needed improvements. VHA continues to have separate claims processing systems using VistA, Fee Basis Claims System (FBCS), and manual processes, all of which are antiquated compared to what is available commercially.

In addition, claims for adult day care, bowel and bladder care, contract nursing homes, dental, dialysis, home health services, newborn care, and pharmacy, are not processed through FBCS but rather through VistA (dialysis is processed in a commercially acquired system).

Several weaknesses exist in the end-to-end process to purchase care in the community. For example, clinical and administrative determinations to authorize veterans to receive care in the community are approved in VistA and manually entered in FBCS—where each VA Medical Center (VAMC) or Veterans Integrated Service Network (VISN) had its own version of FBCS. FBCS is then used to authorize, process and pay for community care. This lack of integration between VistA and FBCS creates increased risk for error and inefficiencies.

Without a comprehensive IT solution, VHA still relies heavily on paper claims requiring manual handling. Electronic claims received from community providers remain low despite the federal government mandate in Affordable Care Act (ACA) addressing the administrative burden faced by community providers in the claims and reimbursement process. In general, transaction

standards that were adopted under HIPAA enable Electronic Data Interchange (EDI) through a uniform common transaction standard.

The benefits of electronic claims interchange include reduced administrative overhead expenses, improved data accuracy, cleaner claims submission and reduced claims processing time. Because VHA is unable to deliver on the benefits of EDI, community providers remain hesitant to comply with the government mandate reinforcing the status quo within VHA.

Another weakness is that costs for some purchased care authorizations are manually estimated and entered into FBCS, leading to inconsistencies estimating costs and thus affects the ability to accurately report available resources for the purposes of budgeting.

In the "choice" program, gathering of information on registration, appointment and authorization provided to VHA by the third-party administrators (TPAs) is manually intensive, inefficient, and increased the risk of error. Moreover, VHA does not have the proper IT system in place to properly oversee the "choice" program currently relying on both manual and systems possibly due to the significant reorganization of CBO as required by the same law requiring the establishment of the "choice" program and the short timeline to implement the "choice" program.

For well over a decade, we have spoken to numerous community providers who are dedicated to providing ill and injured veterans the best care they can provide. They consistently describe their dilemma with VHA in terms of the reimbursements they receive. They are able to continue caring for veterans if their reimbursement rate is low but received quickly. They are also able to continue to work if their reimbursement rate is adequate but slow. However, they are unable to continue to partner with VHA is their reimbursements are both slow and low—as is the general case today.

If in the future, VA is to have a high performing integrated health care network with other federal and community providers, it must show it values committed partners in which VHA IT plays a crucial role.

**Closing**

Because of the breadth and depth of the three major IT challenges of information security, interoperability, and the aging VistA, as well as the other agency IT issues, it is clear that Congress and the VA must work together and engage all stakeholders transparently and collaboratively.

Mr. Chairman, DAV appreciates the opportunity to provide this statement to the Committee on this important topic and urges Congress to legislatively address the IT needs of VA. I would be pleased to further discuss any of the issues raised by this statement, to provide the Committee additional views, or to respond to specific questions from you or other Members.