

**STATEMENT OF DR. JAMES TUCHSCHMIDT, M.D.,  
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BEFORE THE  
SUBCOMMITTEE ON HEALTH  
HOUSE COMMITTEE ON VETERANS' AFFAIRS  
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Chairman Benishek, Ranking Member Brownley, and Distinguished Members of the House Committee on Veterans' Affairs Subcommittee on Health, thank you for the opportunity to discuss with you the Department of Veterans Affairs (VA) cost of health care provided to Veteran patients.

**Quality and Patient Satisfaction**

VA is committed to providing the highest quality and safest health care for Veterans. Our most important mission is to make sure Veterans know VA is here to care for them. We want Veterans to feel safe walking into VA facilities, and I expect our employees to provide Veterans with the highest quality care while living VA's I-CARE values of Integrity, Commitment, Advocacy, Respect, and Excellence. That is our standard. Veterans deserve to have full faith in us.

As the Veterans Health Administration (VHA) enters 2015, everyone in the VA health care system will be focused on the *Blueprint for Excellence*. The *Blueprint for Excellence* is our guide for improving VHA health care through specific strategies and actions. Implementing this Blueprint positions VHA as Veterans' best health care choice by providing both excellent health care and an excellent experience of care. Two key elements at the forefront of VHA's implementation efforts are to improve access to health care and to provide an exceptional patient experience, every time.

VA is committed to providing high quality, proactive, personalized, patient-driven, Veteran-centric care to Veterans and strives to improve our services. No eligible Veteran should ever have to say we could not meet their needs. VHA has comparable

or superior patient satisfaction and safety levels, according to Centers for Medicare and Medicaid Services Hospital Compare (<http://Medicare.gov/hospitalcompare>), as the private sector. VHA matches or exceeds the performance of the private sector in the following recognized areas:

- Outpatient care – management of hypertension, diabetes, and other conditions as defined in National Committee for Quality Assurance’s (NCQA) Healthcare Effectiveness and Information Data Set measures, as reported in VHA’s Annual Quality and Safety Reports. ([www.va.gov/health/HospitalReportCard.asp](http://www.va.gov/health/HospitalReportCard.asp)).
- Inpatient care – Medicare’s measures for quality of care and mortality ([www.Medicare.gov/Hospitalcompare](http://www.Medicare.gov/Hospitalcompare)).

VHA currently administers multiple surveys to assess a Veteran’s experience with his or her care. The Survey of Healthcare Experience of Patients (SHEP) program is VA’s largest system-wide effort, now surveying over 72,000 Veterans each month, to assess patient experiences with VHA care since 2002. SHEP results clearly show that access remains the greatest opportunity for improvement.

The American Customer Satisfaction Index (ACSI), an independent survey, is the Nation’s only uniform, cross-industry measure of customer satisfaction, providing benchmarking between the public and private sectors. According to the American ACSI survey, VHA has consistently outperformed the Hospital Industry for 10 years in a row in both the Inpatient and Outpatient settings. While Veterans tell us we can and should do better with access to services, VA has topped private sector hospitals in overall satisfaction for a full decade. The ACSI is shown below:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
VHA Inpatients	81	84	83	84	83	85	84	85	85	84	84
VHA Outpatients	80	83	80	82	83	81	83	82	83	82	82
Private Sector Hospitals	73	86	71	74	77	75	77	73	76	76	78

\* Source: American Customer Satisfaction Index

## **Cost of Care**

According to their December 2014 report, *Comparing the Costs of the Veterans' Health Care System With Private-Sector Costs*, the Congressional Budget Office (CBO) conducted a limited examination of how the costs of health care provided by VHA compares with the costs of care provided in the private sector.

As stated in the CBO report, distinctive features of the VHA system—such as its mission, mix of enrollees, and financing mechanism—complicate cost comparisons with other sources of health care.

The VHA system is designed to serve a unique patient population: former members of the Armed Forces who served their country. Veterans must enroll to receive care from VHA, and when they do, they are placed in one of eight priority groups reflecting disabilities they may have, their income, and other factors. Many of VHA's enrollees have injuries or disabilities that were incurred or aggravated during military service. Of the estimated 22 million living Veterans in the United States, nearly 9 million were enrolled in VHA in FY 2013. About 40 percent of those enrollees had service-connected disabilities, and their care accounted for about half of VHA's \$54 billion in total obligations in FY 2013.

The vast majority of care provided by VHA is provided directly through our facilities. Veterans are geographically dispersed across the country, and therefore, some may be required to travel relatively long distances to obtain care at one of our facilities. VA provides beneficiary travel payments to Veterans who meet eligibility criteria, a benefit not found in other health care systems.

As CBO has specified, VHA has also traditionally paid for some care delivered by private sector providers—for instance, when VA is unable to provide needed care to certain Veterans. In FY 2013, those payments accounted for about 10 percent of VHA's medical care budget. As a result of the Veterans Access, Choice, and Accountability Act of 2014, we have implemented a new program to pay for health care provided by

eligible providers outside the VA system for eligible Veterans who meet certain wait-time or distance standards.

The mix of services and benefits that Veterans receive from VHA also differs somewhat from the mix covered by typical health insurance plans. As stated in the report, an example of this is that enrollees rely heavily on VHA for some types of specialized mental health care, such as treatment for post-traumatic stress disorder or substance abuse. VA has recognized certain diseases and other health problems as presumptive diseases associated with exposure to Agent Orange or other herbicides during military service. VA also provides technologically advanced prosthetic devices to eligible Veterans who need them. Although private insurance plans may cover prosthetic services, their coverage may not be as extensive as VHA's, and VHA usually provides such services at no cost to Veterans.

In addition, many other services provided by VHA may fall outside the typical scope of health care provided to patients in the private sector. For example, Veterans may receive individualized assistance from a social worker (case manager) or, as mentioned above, reimbursement for nonemergency transportation costs. Some family members of Veterans may receive counseling or financial support (i.e., the Caregivers Support Program as well as Readjustment Counseling Services through the Vet Center Program). Also, in contrast to private sector health plans, VHA provides extensive support and services to address many of the social and economic causes of poor health—homelessness, for example—that are not typically included in other health care plans. Our clinical and psychosocial outreach shows up in VHA's total health care costs, because our mission is to address the total health of our Veteran patients, not simply to provide care for illness or disease.

All of these unique aspects of VHA care are contributing factors as to why it is a challenge to fully compare VHA care with care provided in the private sector.

## **Conclusion**

Mr. Chairman, VA is Veteran-centric, and VHA delivers patient-centric healthcare. We are proud of our documented record in the health care industry for providing high quality, safe, and effective care. Veteran patients' satisfaction survey results for VA were comparable or superior to those for non-VA facilities. We remain dedicated to providing the best Veteran-centric care possible, and our work and mission will never be done.

Thank you for the opportunity to appear before you today, I am prepared to answer any questions you may have.