STATEMENT OF C. SHARIF AMBROSE
PRINCIPAL
GRANT THORNTON LLP
BEFORE THE
SUBCOMMITTEE ON HEALTH
HOUSE COMMITTEE ON VETERANS AFFAIRS

Thursday, July 13, 2017

Good afternoon Chairman Wenstrup, Ranking Member Brownley, and members of the Subcommittee. Thank you for the opportunity to discuss Grant Thornton's 2015 findings and analyses that focused on VA Provider Staffing and Productivity. My name is Sharif Ambrose and I am a Principal at Grant Thornton LLP where I lead our Public Sector Healthcare Practice that provides contracted consulting services to government clients, including the U.S. Department of Veterans Affairs. I am accompanied by Erik Shannon, a fellow Partner at Grant Thornton who leads our commercial healthcare advisory practice and who also contributed to the 2015 Independent Assessment.

Grant Thornton is one of the largest professional services firms in the world and we provide our clients across all major industries with advice on strategic, operational, financial, and technology issues to help them achieve their missions. Our health care practioners serve commercial and government health providers, health plans, and life sciences clients to create, protect, and transform value across their organization. It has been our distinct privilege and honor to support the U.S. Department of Veterans Affairs (VA) and the Veterans it serves for the past 20 years.

Grant Thornton's involvement in this assessment began after Congress enacted and President Obama signed into law the Veterans Access, Choice, and Accountability Act of 2014 (Public Law 113-146) ("Veterans Choice Act").[1] This law was intended to improve access to timely, high-quality health care for Veterans. Under Title II – "Health Care Administrative Matters," Section 201 called for an Independent Assessment of 12 areas of VA's health care delivery systems and management processes.

VA engaged the Centers for Medicare & Medicaid Services (CMS) Alliance to Modernize Healthcare (CAMH) to serve as the program integrator and as primary developer of 11 of the Veterans Choice Act independent assessments. CAMH is a federally funded research and development center (FFRDC) operated by The MITRE Corporation, a not-for-profit company chartered to work in the public interest. CAMH subcontracted with 3 firms with technical and industry expertise - Grant Thornton, McKinsey & Company, and the RAND Corporation - to conduct 10 independent assessments as specified in Section 201, with CAMH conducting the 11th assessment. Part G of Section 201 required an independent assessment of "the staffing level at each medical facility of the Department and the productivity of each health care provider at such medical facility, compared with health care industry performance metrics…"

[1] This law was later amended by the Department of Veterans Affairs (VA) Expiring Authorities Act of 2014 (Public Law 113-175).

To address this requirement under Part G, Grant Thornton conducted an assessment during the winter and spring of 2015 of current provider staffing levels, caseload, and productivity, in comparison to health care industry benchmarks. This included an in-depth assessment of nurse staff resource allocation, decision-making, and processes which impact provider productivity and efficiency.

- Our team interviewed VHA policy leaders and subject matter experts from the major specialties as well as the leaders of the program offices responsible for reporting VHA staffing levels and provider productivity.

- We obtained staffing, workload, and time allocation data of VHA providers from VHA for fiscal year 2014.

- In coordination with other Choice Act independent assessment teams, we visited 24 VA Medical Centers and community-based outpatient clinics (CBOCs). The purpose of the site visits was to interview local facility leaders and providers to understand the local management practices, staffing, caseload and productivity levels across VA.

Our report, along with the other independent assessments, were provided to the Secretary for Veterans Affairs, the House Committee on Veterans' Affairs, the Senate Committee on Veterans' Affairs, and the Commission on Care in September 2015.

Provider Staffing Findings
Grant Thornton's assessment found VA medical centers face issues with provider vacancies, lengthy hiring processes, and competitive compensation, each of which can contribute to provider shortages. Assessment G noted three primary findings.

Finding 1: VHA specialties with the highest provider full-time equivalent (FTE) levels include medicine specialties, mental health, and primary care, consistent with VHA's care model and the needs of the Veteran population.

Finding 2: VHA does not systematically track fee-based provider productivity, and does not capture FTE level information for fee-based care providers.

Finding 3: VHA physician staffing levels per patient population are, in most specialties, lower than industry ratios. These ratios, however, are not sufficient to establish whether VHA is staffed to meet demand because of factors that make it difficult to measure clinical workload at VHA and to compare VHA performance to industry benchmarks. For instance, VHA uses Advanced Practice Providers (APPs) extensively but the FTE for these types of providers are not included in VA's data.

Provider Productivity Findings
In comparing VHA providers to providers in the private sector, our assessment used several common health care industry productivity measures:

- *encounters* (count of direct provider-patient interactions in which the provider diagnoses, evaluates, or treats the patient's condition),

- *work relative value units* (*wRVUs*—a measure of a provider's output which takes into account the relative amount of time, skill, and intensity required to complete a given procedure), and
- *primary care panel size* (the number of unique patients for whom a care team is responsible).

Our team considered VHA's care model, benchmarked providers accordingly, and considered the barriers VHA faces in delivering care at a rate of productivity that matches health care systems in the private sector. In comparing the productivity of VHA providers to industry benchmarks, our analysis supports two key findings:

1) The number of patients assigned to VHA general primary care providers is 12 percent lower than the private sector benchmark for patients of a similar acuity.
2) With respect to specialty providers, our analysis shows that VHA specialists are less productive than their private sector counterparts on two industry measures – *encounters* and *work relative value units* (wRVUs). Many specialties fall in the 50th percentile of private sector providers; others are as low as the 25th percentile. However, when encounters (visits) are used as a measure, the gap shrinks and VHA specialty care compares more favorably to the private sector. In a system as large and varied as VHA, we did find variation in the relative productivity of providers. For instance, specialty care providers at the most complex facilities were found to be more productive than their peers, and the most productive VHA providers (those at the 75th percentile of VHA providers) are often more productive than the private sector. Mental health provider productivity at VHA was calculated to be in the 100th and 72nd percentiles as measured by both wRVUs and encounters, compared to industry benchmarks.

Root Causes
Our team examined the various drivers of VHA provider productivity, and found there are several factors that limit the ability of providers to optimize productivity. For example:

We found VHA providers have a lower room-to-patient ratio than the private sector. Private sector room-to-provider ratios are typically 3-to-1 and we found VHA providers typically only have a 1-to-1 ratio, which does not allow them to see as many patients as their private sector counterparts. Similarly, VHA providers have significantly fewer nurses and administrative support staff, which means the providers cannot be as efficient as they otherwise could be. Insufficient clinical and administrative support staff results in providers and clinical support staff not working to the top of their licensure.

Another challenge is VHA does not effectively manage nurse absences (using nurse float pools), resulting in unplanned staff shortages and fewer patients who can be treated.

While there has been widespread implementation of the Patient Aligned Care Team (PACT) model in primary care clinics and the National Nurse Staffing Methodology in many areas of inpatient care, there are no current VHA standards for staffing levels and/or mix in specialty clinics, with the exception of eye clinics.

Based upon our team's observations and the findings of Assessment F (Clinical Workflow), we have concerns providers may not be properly documenting all of their workload, which may explain some of the difference in productivity across all facilities. During site visits and interviews with VHA Central

Office leaders, we consistently heard concerns that providers do not fully document and accurately code all of their clinical workload.

Grant Thornton's Recommendations
In formulating our recommendations in 2015, our team considered the findings and recommendations of the other Veterans Choice Act Assessments, prior reports by the VA Office of the Inspector General (OIG), the Government Accountability Office (GAO) and other government bodies available at the time.

In our report we offered five overarching recommendations to VHA along with the supporting evidence for each recommendation, relevant promising or best practices, and potential near-term actions or next steps. We also provide a discussion of cross-cutting implementation considerations that may be used to develop, enhance, or speed implementation of the recommendations. By implementing these recommendations, along with the recommendations of the other Veterans Choice Act Assessments, VHA can – with the support of Congress – evolve into a consistently high performing health system, enabling access to high quality care in an efficient and cost effective manner.

Recommendation 1: VHA should improve staffing models and performance measurement.
VA should evaluate the design and implementation of current VHA staffing models to determine the extent to which they are sufficient to meet the goals of VHA's population health focused model and ensure all eligible Veterans have access to high quality, timely care. VHA should conduct a program review of the implementation of the PACT staffing model in primary care to identify the causes of the productivity shortfalls and the impacts of these performance gaps on access to quality care. VHA should develop and implement staffing models for outpatient specialty care services and improve existing performance measurement systems to realize the benefits of specialty care staffing models. VHA should refine and implement the National Nurse Staffing Methodology across inpatient services and improve the performance measurement system to realize the benefits of the methodology.

To improve staffing and productivity measurement and better determine the capacity of VHA specialty clinics, Grant Thornton's assessment recommended the VHA gather data and assess the productivity of fee-based providers, as well as conduct a work measurement study (or verify existing workload data) to determine the volume and distribution of workload each year to better match staffing requirements to demand.

Recommendation #2: VA Medical Centers should create the role of clinic manager and drive more coordination and integration among providers and support staff.
VA has an opportunity to increase the level of teamwork and accountability among all outpatient clinic staff, especially in specialty care services. This might be achieved by creating multidisciplinary management teams for specialty clinics that include a physician leader, nurse leader, and business administrator. Alternatively, specialty clinics might establish a single or dual reporting line and operating a model for providers and their clinical and non-clinical support staff, so all of the members of the specialty clinic team have more accountability to each other and the Service Chief of the specialty.

Recommendation #3: VA Medical Centers should implement strategies for improving management of daily staff variances, and include a replacement factor for all specialties, including PACT.
With respect to managing staff absences, VA can improve the management of daily staffing variances by implementing several strategies that include intermittent float pools of support staff and the inclusion of a replacement factor across all staffing methodologies/models, to include PACT.

Recommendation #4: VA Medical Centers should implement local best practices that mitigate space shortages within specialty clinics.
VA medical facilities should further study opportunities to mitigate space shortages within specialty clinics. These include strategies such as: standardized schedule templates, expanded clinic hours, increased use of non-face-to-face encounters for follow-up consults by specialty care, and system redesign initiatives to improve patient flow within clinics.

Recommendation #5: VHA should improve the accuracy of workload capture.
VHA should conduct an audit of health record documentation and current procedural terminology (CPT®) coding accuracy and reliability to validate physician productivity measurement and that if the results support it, evaluate the ability of commercially available computer assisted coding (CAC) applications to assist providers with coding. The creation of the role of clinic manager for Specialty Care clinics should also be used to improve clinic management and coding practices.

Closing
In a health system comprised of more than 150 hospitals and nearly 1,400 community-based outpatient clinics - among other care settings – determining the staffing levels, caseload, and productivity required of VA providers to meet the needs of more than 9 million enrolled Veterans is a complex task. Adequate provider staffing levels and a health care system that enables its clinicians to be productive in delivering VHA's population-health focused model of care are essential to meeting the goals of timely, high quality care for our nation's Veterans. I applaud this committee, the Department and the often overlooked dedication from the VA health care providers and support staff who have chosen to serve our nations' Veterans. Grant Thornton is grateful for the opportunity to address this committee and to offer our analysis of the challenges facing VA.