

The Honorable Brad Wenstrup
Chairman
House Committee on Veterans' Affairs
Subcommittee on health
United State House of Representatives
Washington, DC 20510

Dear Mr. Chairman:

The agenda for the House Committee on Veterans' Affairs' Subcommittee on Health September 26, 2017, legislative hearing included the draft bill to make certain improvements in VA's Health Professionals Educational Assistance Act, for which the Department of Veterans Affairs (VA) was unable to provide views in our testimony. We are aware of the Committee's interest in receiving this information. The enclosure expresses VA's views on this legislative initiative.

We appreciate the opportunity to comment on this legislation and look forward to working with you and the other Committee Members on these important legislative issues.

Sincerely,

David J. Shulkin, M.D.

Enclosure

Draft Bill, to amend title 38, United States, Code, to make certain improvements in the Health Professional Educational Assistance Program of the Department of Veterans Affairs, and for other purposes

Section 2 of the draft bill, would require the VA to offer 50 scholarships to physicians and dentists in return for a service obligation to practice at a VA facility.

Section 3, would amend the Health Educational Assistance Programs to include the Specialty Education Loan Repayment Program (SLERP), an education loan repayment program to attract physicians who are eligible for board certification in medical specialties that are difficult for recruitment and retention for employment in the VA.

Section 4, would require the VA to offer 10 additional scholarships to Veterans attending a Teague Cranston Medical School in return for a service obligation to practice at a VA facility.

VA supports sections 2 and 4, subject to the availability of funds, as this is an excellent opportunity to recruit providers to fill critical vacancies throughout the VA. VA estimates the cost for sections 2 and 4 would be \$45 million over five years and \$98 million over ten years.

VA supports the intent of section 3, but would like to work with the Committee to further clarify the scope to enhance existing programs and develop new programs to meet the hiring needs of VA. As written, the language infers that only recent medical school graduates or those in their initial year of residency who will not have declared a subspecialty would be eligible, limiting VA's ability to attract more experienced providers who would be eligible sooner. Furthermore, the maximum award amount exceeds the

maximum award amount authorized under the Education Debt Reduction Program (EDRP), 38 U.S.C. § 7683, which limits education debt reductions payments to \$24,000/year, not to exceed \$120,000). This creates disparity between physicians currently employed within the VA or those eligible for permanent appointment and recent medical school graduates or residents with less experience, giving those with fewer qualifications a larger reimbursement.

VA is unclear regarding the eligibility requirement of “[who are eligible to be board-certified]” and the requirement that program candidates be “...hired under section 7401...” as individuals who have recently completed medical school or are in the first year of residency would not necessarily be a permanent VA employee.

Given the existing loan repayment authority for the EDRP, VA recommends an alternative approach, such as a stipend program, to attract medical residents and fellows with declared specialties (i.e., those in the final two years of residency or fellowship) to better meet the recruitment and retention needs of VA.

As written, VA is unable to estimate the costs of this section and would welcome the opportunity to discuss further. VA agrees with the intent of the draft legislation, however as written this will not fulfill the intent of the Committee. VA requests the opportunity to have a discussion with the Committee to develop a stipend or other program that will meet the intent of the legislation.

VA appreciates, through the proposed legislation, the opportunity to recruit providers to fill critical vacancies throughout the VA.