

Written testimony of
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Committee on Veterans' Affairs
Subcommittee on Health

"VA HEALTHCARE: MAXIMIZING RESOURCES IN PUERTO RICO"

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Chairman Roe, Ranking Member Waltz, Resident Commissioner González, and members of the Committee.

My name is Victor Ramos and I am the President of the P.R. Physicians and Surgeons College, a organization comprised of all licensed physicians in Puerto Rico. On behalf of the 9,000+ members of the association that I represent, I thank you for this opportunity to participate in this conversation here with you today on maximizing the VA's resources in Puerto Rico to impact the health of our veteran population.

Chronic understaffing has been a national problem for the Department of Veterans Affairs for many years now, and Puerto Rico, unfortunately, is not the exception. Ways in which to mitigate the shortage of providers within the VA health system has been a constant topic of discussion at the administrative and legislative levels, and meaningful initiatives have been implemented with no definitive solution found. However, our demographic and geographic particularities have amplified the VA health system's national problem of chronic understaffing.

According to the Department of Veterans Affairs, there are over 93,000 veterans registered as residents of Puerto Rico, 65% of which are over 65 years old, a number slightly higher than the national average. Although small in size, our jurisdiction is mostly rural, with VA health system treatment concentrated in the San Juan Metropolitan Area. Access to these facilities is difficult due to age-related health conditions of the veteran population, as well as the lack of an integrated public transportation system. And in contrast to stateside populations, our veterans use the VA

health system—rather than other health insurance they might possess— as their primary healthcare provider.

This perfect storm of an aging population which requires health intervention and over-utilization as compared to other jurisdictions is further compounded by the exodus of physicians—in large part, of specialists—from Puerto Rico.

Staff positions in the VA health system in Puerto Rico remain open and funded, but recruitment hindered by the lengthy and archaic bureaucratic hurdles that physicians are made to jump through in order to be considered. Employed staff is further subjected to high taxes in Puerto Rico which are compounded by the economic pressures upon physicians merely because of the higher costs of living in Puerto Rico. Lateral moves within the VA health system from Puerto Rico to other jurisdictions automatically result in a *de facto* raise, with money in a physician's pocket at the end of the day. Although the Government of Puerto Rico has incentivized physicians to stay in Puerto Rico by granting them special tax rates for staying in or returning to the Island, more needs to be done to stop the outmigration and bring them back to the Island. Therefore, the VA must find ways to make it more attractive for physicians to apply for staff positions—and to remain in those positions—in jurisdictions like Puerto Rico, with particularly high understaffing issues.

The Veterans Choice Program is one of the ways VA is improving access to care for veterans by allowing them to receive care from non-VA facilities, connecting them to timely and convenient access to health care, instead of waiting for a VA appointment or traveling long distances to a VA facility. This program applies in full force in Puerto Rico, however, it faces the same understaffing problem encountered in VA facilities because of the burdensome bureaucratic requirements to physicians to participate. The VA health system could provide better care to their patients by opening its programs to additional providers merely by simplifying their contracting procedures.

I am aware of the budgetary and public policy concerns of programs such as the Veterans Choice Program, allow patients to obtain healthcare outside of the VA health system. However, the effective management of such a program, for example, by requiring an initial referral from the VA health system to a specific primary care physician in the community with periodic oversight visits to the VA clinics, will greatly benefit patients by making healthcare more accessible, as well as help resolve schedule congestion and understaffing.

Easier and responsible access to physicians outside de VA health system will also help break the circular problem of lack of available specialists to treat the veteran population in Puerto Rico. Physicians—and to a larger extent, specialists—are leaving Puerto Rico for stateside jurisdictions because of the high cost they bear in providing their services in Puerto Rico. In 2016, Puerto Rico was losing an average of one doctor a day. Last year prior to Hurricane María, 700 physicians had left Puerto Rico; and it is estimated that a larger number will leave this year. Of the 400 cardiologists in Puerto Rico 11 years ago, today we have less than 100. The number of anesthesiologists has decreased in the same proportion. Very few neurologists and surgeons remain. And in an island where diabetes is one of the principal health problems, there is an urgent need for endocrinologists. It is not a rare occurrence to call a doctor for an appointment, only to be told that appointments are three to six months away. Nor is it to call all the doctors of a certain specialty in the phonebook, only to be told that they are no longer accepting new patients. Yes, this is partly due to local factors such as the cost of living and utility costs.

However, it is also due to inequalities in Medicare reimbursement rates, between on Island doctors in Puerto Rico and their state-side counterpart for the same service under the same terms and conditions. For example, after 20 years, the Geographic Price Cost Index (GPCI) applicable in Puerto Rico was finally equated to that of the U.S. Virgin Islands, although that number does not take into account the costs associated with the Jones Act which does not apply to the U.S. Virgin Islands.

It is also due the strong market power of Medicare Advantage plans in Puerto Rico who, unregulated by CMS, force their providers to accept rates much lower than those in similar markets or be driven out of their practice for lack of patients. If the VA health system became a market participant, it would open a new pool of patients for these physicians and provide an alternative to the abuse of both private and public insurers. It would create a reason for physicians and specialists to stay in Puerto Rico because they could afford to do so. More physicians mean more accessibility to healthcare, which translates to healthier patients and lower healthcare costs.

We cannot lose sight of the fact that a large number of veterans also possess other insurance—either private insurance through their employers or from the Government’s Medicaid-supported program. The over-utilization of the VA health system in Puerto Rico taxes these limited resources to the benefit of other health insurers. The responsible integration of outside healthcare providers into the care of the

veteran population allows a cost-sharing of these expenses with other health insurance plans, thus lowering costs to the VA health system and maximizing resources.

As federal legislators, I know that you face an incredible challenge in finding solutions that work for approximately 21 million veterans of the United States, spread out throughout the world. I am grateful for the time you have taken to come to Puerto Rico and for your interest to learn about the specific problems facing our veteran population, and for your openness and availability to do something about it. Our Resident Commissioner is a tireless fighter for our health and wellbeing and I thank you for having joined her fight.

Respectfully submitted.