FY2019 DEPARTMENT OF VETERANS AFFAIRS BUDGET REQUEST FOR THE VETERANS HEALTH ADMINISTRATION

HEARING

BEFORE THE

SUBCOMMITTEE ON HEALTH

OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

THURSDAY, MARCH 15, 2018

Serial No. 115–51

Printed for the use of the Committee on Veterans' Affairs

Available via the World Wide Web: http://www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
35–388 WASHINGTON : 2019

COMMITTEE ON VETERANS' AFFAIRS

DAVID P. ROE, Tennessee, *Chairman*

GUS M. BILIRAKIS, Florida, *Vice-Chairman*
MIKE COFFMAN, Colorado
BRAD R. WENSTRUP, Ohio
AMATA COLEMAN RADEWAGEN, American Samoa
MIKE BOST, Illinois
BRUCE POLIQUIN, Maine
NEAL DUNN, Florida
JODEY ARRINGTON, Texas
JOHN RUTHERFORD, Florida
CLAY HIGGINS, Louisiana
JACK BERGMAN, Michigan
JIM BANKS, Indiana
JENNIFFER GONZALEZ-COLON, Puerto Rico

TIM WALZ, Minnesota, *Ranking Member*
MARK TAKANO, California
JULIA BROWNLEY, California
ANN M. KUSTER, New Hampshire
BETO O'ROURKE, Texas
KATHLEEN RICE, New York
J. LUIS CORREA, California
KILILI SABLAN, Northern Mariana Islands
ELIZABETH ESTY, Connecticut
SCOTT PETERS, California

JON TOWERS, *Staff Director*
RAY KELLEY, *Democratic Staff Director*

SUBCOMMITTEE ON HEALTH

BRAD WENSTRUP, Ohio, *Chairman*

GUS BILIRAKIS, Florida
AMATA RADEWAGEN, American Samoa
NEAL DUNN, Florida
JOHN RUTHERFORD, Florida
CLAY HIGGINS, Louisiana
JENNIFER GONZALEZ-COLON, Puerto Rico

JULIA BROWNLEY, California, *Ranking Member*
MARK TAKANO, California
ANN MCLANE KUSTER, New Hampshire
BETO O'ROURKE, Texas
LUIS CORREA, California

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

CONTENTS

Thursday, March 15, 2018

FY2019 DEPARTMENT OF VETERANS AFFAIRS BUDGET REQUEST FOR THE VETERANS HEALTH ADMINISTRATION

Thursday, March 15, 2018

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:01 a.m., in Room 334, Cannon House Office Building, Hon. Brad Wenstrup [Chairman of the subco mmittee] presiding.

Present: Representatives Wenstrup, Bilirakis, Dunn, Brownley, Takano, Kuster, and Correa.

OPENING STATEMENT OF BRAD WENSTRUP, CHAIRMAN

Mr. WENSTRUP. The Subcommittee will come to order. Good morning and thank you all for joining us today to discuss the Department of Veterans Affairs fiscal year 2019 budget submission for medical programs. The President's budget request includes $198.6 billion in total funding for VA, an increase of nearly $12 billion over last fiscal year. It also includes $90 billion in discretionary funding, an increase of more than 8 percent above last fiscal year.

It is a budget request that is robust, and it is one that continues this Nation's long tradition of investing in our veterans and in the care, benefits, and services that they earned through their service to us. Most importantly, it is a budget request that is reflective of Veterans Voice, as the American Legion will testify momentarily.

During today's hearing, I am interested in learning more about how this budget would set VA up for long-term success and, in doing so, increase productivity, efficiency, access to care, and quality of care across the VA health care system. I also want to know more about how this budget would fund and encourage a top to bottom review of VA's resources; physical, financial, and human.

This Committee, led by Chairman Roe, has been working hard hand-in-hand with our veterans' service organization partners over the last year to craft legislation that would institute a VA asset and infrastructure review. I want to reiterate this morning how necessary that effort is and my intention for it to encompass a review of more than just buildings and property.

During the Full Committee budget hearing one month ago, Chairman Roe and Secretary Shulkin noted that VA's budget has

increased by 175 percent since 2006. In that timeframe overall Federal spending increased by just 54 percent, and gross domestic product increased by only 40 percent.

In order for VA to move forward into a fruitful future, we must ensure a clear and accurate understanding of VA has, what VA needs, and where VA is going. We need to know that our medical facilities are well staffed and well equipped to provide modern, high quality care where our veterans live.

We need to know that VA's relationship with community partners are strong and able to respond quickly to meet needs when and where VA cannot, and we need to know what VA's significant and growing financial resources are—that VA's significant and growing financial resources are being used to their highest purpose and never squandered, wasted, or abused.

Absent that, we cannot assure veterans that their needs will be meet today, next week, or next year, not to mention 10 or 20 years from now, and we also cannot assure American tax payers that their hard-earned dollars are being used by VA appropriately, wisely, and well.

I am grateful to our witnesses from VA and from our veteran service organization partners for being here this morning to discuss the President's budget request, and will now yield to Ranking Member Brownley for any opening statement that she may have.

OPENING STATEMENT OF JULIA BROWNLEY, RANKING MEMBER

Ms. BROWNLEY. Thank you. Thank you, Mr. Chairman. I certainly would like to take this opportunity to—excuse me—welcome our distinguished VSO stakeholders here today. Your insight is always and continues to be invaluable. And, Dr. Clancy, I appreciate you and your team being here with us today as well. I look forward to hearing from you on how VHA intends to continue to meet veterans' health care needs with this budget request.

However, it would be unreasonable for me to ignore the current state of affairs at the District of Columbia's VA Medical Center, a facility that for all intents and purposes should be considered a crown jewel of VA facilities. A little over a week ago, VA's Office of Inspector General issued 40 recommendations that would not only improve the operations at the D.C. hospital, but provided lessons learned for medical facilities nationwide.

While the IG did not explicitly state the issues at the D.C. VA were systemic in nature, history shows that issues surrounding leadership failure point in that direction. My fears were further confirmed when VA placed VA medical centers in VISN 1, 5, and 22 under VA Central Office Receivership.

Dr. Clancy, your experience implementing significant changes throughout VHA following the Phoenix wait list crisis makes you uniquely positioned to ensure VA quickly corrects course in these three VISNs. I would urge you to ensure that the lessons learned from the Phoenix crisis, and any relevant subsequent events, are applied in VISNs 1, 5, and 22.

I hope VA is committed to implementing lasting change that can be effectively applied to VA medical systems nationwide. I also ask VA to remain transparent during this process so that I and my col-

leagues here on the Committee can continue to both oversee and support your progress.

Dr. Clancy, I am also concerned that the political in-fighting within VA Central Office has diverted resources and attention from what really matters; the delivery of benefits and health care services to veterans. Every employee at VA should be focused on what is best for veterans. Not what is best for their careers or for the White House, but for the 9 million veterans currently enrolled in the VA's health care system. Perhaps this in-fighting is limited to one particular office or a handful of employees, but it is unnecessarily distracting, and in my opinion is unprofessional.

We can see that within your fiscal year 2019 budget request, VHA intends to vastly improve the delivery of health care by accomplishing many significant goals. Members of this Committee on both sides of the aisle want VA to succeed in achieving each of these goals.

I am hopeful that today's conversation will result in a better understanding of how VHA's budget request will support the accomplishment of these incredibly important goals. Goals that I strongly support, like the expansion of mental health services, continued support of woman veterans, and the development of IT infrastructure capable of supporting the 21st century high performing VHA our veterans deserve.

To each of our witnesses, I am thankful for your participation and look forward to hearing your comments. Thank you, Mr. Chairman, and I yield back the balance of my time.

Mr. WENSTRUP. Well, thank you, Ms. Brownley.

So joining us this morning on our first and only panel are first Adrian Atizado, the Deputy National Legislative Director for the Disabled American Veterans. Sarah Dean, the Associate Legislative Director for the Government Relations Department for the Paralyzed Veterans of America; Patrick Murray, the Associate Director of the National Legislative Service for the Veterans of Foreign Wars of the United States; Matthew Shuman, the Director of the National Legislative Division for the American Legion; and Dr. Carolyn Clancy, Executive in charge of the Veterans Health Administration for the U.S. Department of Veterans Affairs, who is accompanied by Rachel Mitchell, Deputy Chief Financial Officer for the Veterans Health Administration.

I want to thank you all for being here this morning. Mr. Atizado, we will begin with you, and you are now recognized for five minutes.

STATEMENT OF ADRIAN ATIZADO

Mr. ATIZADO. Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee, first I would like to thank you for allowing us to testify along with our partner-at-arms with American Legion, and, of course, Executive in Charge, Dr. Clancy on this panel to talk about VA's budget request for fiscal year 2019 and 2020.

I first do need to start out by having to recognize, I think, the elephant in the room which is VA's current shortfall funding that it is operating in now for nearly close to half this fiscal year. When we are looking at the budget that has been provided and the budg-

et that has been requested, we are looking at a $3 billion shortfall, which is a significant amount of money considering VA's under tremendous pressure even this fiscal year to meet increased demands.

I think that we have to urge Congress very strongly to address not only that shortfall for today's needs, but also because it will affect future estimates and projections, and starting out at a low baseline will clearly affect future performance.

So as part of the independent budget, DAV with our partners, Paralyzed Veterans of America and Veterans of Foreign Wars, we are certainly please to present our budget recommendations for 2019. I think at the offset the Committee should be aware that our recommendation uses baseline that is currently what the Congress is contemplating, and hopefully will be passing next week to fund the Department of Veterans Affairs.

We have to do this because using any other baseline will set VA's 2019 recommendations well below what we estimate the need will be. So for 2019 for medical programs, the IB recommends $82.6 billion. This amount includes $53.7 billion for medical services, $14.8 billion for medical community care, $6.8 billion for medical support and compliance, and $7.3 billion for medical facilities.

Now we do recommend an additional $829 million for medical and prosthetics research. This amount includes $65 million for the Million Veteran Program. As this Committee knows, there is a little over 600 million veterans who have volunteered to participate in the Million Veteran Program, it is the most future-looking research project that VA has going, and we believe that $65 million, or if the Congress so inclined to provide more, will help VA finally reap the benefits of this program.

They need to do much deeper sequencing than is currently being done to be able to leverage and tailor its programs to the specific needs that veterans have. We also believe that Congress should provide VA $1.6 billion for its electronic health record modernization. I believe this was the amount that Secretary Shulkin had initially requested, and we are thankful that this budget from the President and the Department of Veterans Affairs includes recognition of that need as modernizing a critical aspect of VA in its delivery of services to veterans.

I would be remiss, Mr. Chairman, if we did not talk about a couple of things, a couple of legislative proposals in the President's budget which we have specific comments on. The first thing I would like to bring to your attention is their request to finally pay for medical foster home, which is a far less costly alternative to nursing home care, and one that many veterans are flocking to because it is still set in a community setting.

This authority allows VA to pay for that care instead of veterans having to pay out of pocket, and it would allow VA to pay for those veterans who otherwise VA would have to pay for nursing home anyway, and we think this would save tax payer money. In fact, VA estimates the first year of saving about $12 million going all the way up to $90 million a few years after that.

We do oppose, however, a legislative proposal that would offset the current practice of offsetting veterans co-payments when VA receives reimbursements from veterans health plan. We think this is

a disingenuous way of supplementing appropriations to provide veterans medical care that they have earned.

The second one that we would have to oppose,

Mr. Chairman, is the punitive enforcement of making veterans have to pay over $8 million worth of medical care if somehow VA is not able to recover reimbursements from their health plans. We think, again, that is a misguided attempt to supplement its needed medical care resources on the backs of veterans.

I see my time has run out, Mr. Chairman, I will end my testimony at this point. Be happy to speak more about our recommendations and any of the contents in our testimony. Thank you.

[THE PREPARED STATEMENT OF ADRIAN ATIZADO APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you. Ms. Dean, you are now recognized for five minutes.

STATEMENT OF SARAH DEAN

Ms. DEAN. Chairman Wenstrup, Ranking Member Brownley, and Members of the Subcommittee, as one of the co-authors of the independent budget, Paralyzed Veterans of America is pleased to be here today. I will focus my comments to a few areas of concern.

In September of 2016, Congress authorized appropriations through fiscal year 2018 to provide the reproductive service in vitro fertilization for veterans with catastrophic disabilities or injuries that precluded their ability to have children.

VA projected through the two years that this service would affect no less than 500 veterans and their spouses, and cost no more than $20 million. As of January of this year, some 500 consults for IVF have been made. And we thank those of the Subcommittee for insuring that these veterans now have the chance at a family that otherwise would have been denied them because of their service. However, these procedures are not directly funded and, therefore, the independent budget recommends $20 million to cover the costs through fiscal year 2020.

Regarding women veterans, the medical services appropriation should be supplemented with $500 million for women's health care programs in addition to those already included in the 2018 baseline. These funds would allow VHA to hire and train the necessary 1,000 women health providers that are needed to meet the increasing demand for gender specific care.

These funds would also enable the facilities to address privacy and safety issues for women patients, and further the work of cultural transformation throughout the agency to ensure women are welcomed at VA, are free from harassment, and are recognized for their service. This is also needed for VA to continue the work it's been doing to improve mental health services, particularly in order to combat suicide and substance abuse disorders.

As women veterans are the fastest growing cohort of patients, VA must have the resources to properly provide the appropriate care. To that aim, this Subcommittee must also conduct the necessary oversight to ensure that that care is the quality they deserve.

In addition to an increasing women veteran population, VA must also be resourced and ready to accommodate a majority aging population. The demand for and utilization of long-term care services and home and community-based services has increased consistently, and will continue to in the decades to come.

As such, the IB recommends a modest increase of $82 million for fiscal year 2019. This reflects the demand for long term care services in 2017, particularly home and community-based care, as well as the increase in use and long and short term stay nursing home care. This increase would help balance home care services with the institutional settings, a strategy currently pursued at the state level. VA must be properly provisioned and ready to meet this impending wave of aging veterans.

And so in that vein, a new addition to this year's independent budget recommendation is the necessary funding to implement the eligibility expansion of VA's caregiver program to severely injured veterans of all areas. The funding level is based on the CVO's estimate for the expansion preparation costs that includes increasing staff and IT fixes. And for that initial phase, we recommend $11 million for fiscal year 2019.

We appreciate the attention this Subcommittee and the Full Committee has given to caregivers. This issue is a high, if not the highest, priority for most of our members. And we hope to see change happen soon. As you heard from many of us last month, this issue is time sensitive. Pre-911 caregivers are in need of support as quickly as possible, and we hope that Congress will enable VA to provide those services, their well-being quite literally depends on it.

So, Mr. Chairman, I thank you for the opportunity to speak here today, and I am happy to answer any questions.

[THE PREPARED STATEMENT OF SARAH DEAN APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you. Mr. Murray, you are now recognized for five minutes.

STATEMENT OF PATRICK MURRAY

Mr. MURRAY. Chairman Wenstrup, Ranking Member Brownley, and Members of the Subcommittee, on behalf of the men and women of Veterans of Foreign Wars, the United States (indiscernible) Auxiliary, and our partners in the independent budget, I thank you for the opportunity to provide remarks on the infrastructure portion of the budget.

While this year's numbers are significantly higher than the previous years, we still feel it does not quite hit the mark. For more than 100 years the Government's solution to provide health care for our military veterans has been to build, manage, and maintain a network of hospitals across this Nation.

This model allows VA to deliver care at thousands of facilities, but it is left with ownership of more than 6,000 buildings and 38,000 acres, many of which are past their building life cycle. Many of these facilities need to be replaced, some need to be disposed of, others need to be expanded, and all of them need to be maintained.

The process to manage this network of facilities is a Strategic Capital Infrastructure Plan, or SCIP. The SCIP identifies VA's current and projected gaps in access, utilization, condition, and safety. Then it lists them in order based on GAPs priority. In VA's fiscal year 2019 budget submission, the ten-year full implementation plan to close these gaps is estimated to cost $53 to $65 billion, including $9 to $11 billion in activation costs alone.

Congress and VA need to realign the SCIP process to allow VA to enter into public/private partnerships and sharing agreements both Federal and private to right-size VA's footprint. It must continue to fund the projects currently as partially funded and begin the advanced planning and design of those projects it knows we will need to fund through the traditional appropriations process.

VA's SCIP program clearly identifies the current and projected ten-year gaps in delivery of health care. What is missing is a long-term strategy to effectively close these gaps in the most veteran-centric and cost-effective way. This must include a strategic plan for removing vacant or underutilized space so VA can invest those funds used to maintain these buildings into facilities that can provide direct care for veterans.

Facilities will need to be replaced, improved, and reduced over the years, and the methods used to decide when and how to move forward with these projects must be comprehensive. VA can no longer afford to build a new facility and with only a few years have a need to expand the facility because they did not properly forecast the need. Nor should VA feel compelled to maintain a facility that is so underutilized that it is becoming cost-prohibitive.

As VA works to close these gaps in utilization, VA and Congress must make it a priority to maintain what we have, finish what has been started, and chart a long-term plan to effectively close future gaps. Repeating the sins of the past such as the Denver replacement medical facility must never happen again. And VA needs to move ahead in the 21st century always looking to find ways to build more effectively and efficiently.

Finally, outside the budget analysis, the VFW has specific best practice suggestions that could cut time and money from future construction projects by implementing some new innovative ways to course correct some of the mistakes of the past and align their practices with private sector builders.

Thank you for the opportunity to testify today before the Subcommittee, and I look forward to answering any questions you might have.

[THE PREPARED STATEMENT OF PATRICK MURRAY APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you very much. Mr. Shuman, you are now recognized for five minutes.

STATEMENT OF MATTHEW SHUMAN

Mr. SHUMAN. Making a promise is easy, honoring the promises you made, particularly in the heated climate—political climate we find ourselves in, is more difficult. Chairman Wenstrup, Ranking Member Brownley, distinguished Members of the Subcommittee, on behalf of Denise H. Rohan, National Commander of the American

Legion, and our 2 million members, we thank you for the opportunity to present our position on President Trump's proposed budget for the Department of Veterans Affairs.

The American Legion appreciates the President following through with the promises he made on the campaign trail to take care of those who have served the United States in uniform. At a time when most Federal agencies are experiencing a decrease in their respective budgets, the VA will hopefully, with assistance from this critical Committee, receive a much-needed increase.

Our members tell us they prefer to receive their medical care at VA. When an overwhelming force of veterans are all saying the same thing, it is vital that we listen. The President's proposed budget is reflective of veterans' voices and should encourage this Congress to invest in the largest integrated medical system, not only in the United States, but the world.

Acknowledging my time before you is short, I will focus on a few critical topics. The conversations surrounding community care is at an all-time high, the need to finally streamline multiple programs into one effective system is vital, especially as current funding may run dry in May. Streamlining the many programs into one is cost effective, efficient, and most importantly, it is common sense.

Following through with the promises he made, President Trump's budget requests funding to ensure veterans receive the best care possible, be it at the VA or in their community. That said, in order for that to happen, Congress must take action to join and modify their programs for the benefit of all veterans utilizing the VA Community Care Program.

Additionally, the President's budget echos Secretary Shulkin's desire to expand mental health access for those with other than honorable discharges, which falls in line with the executive order President Trump signed compelling the DoD, VA, and the Department of Homeland Security to ensure all new veterans receive at least one year of mental health care post-military service.

Continuing on with the focus of health care, the President's proposed budget not only calls for funding to be allocated but also requests the funding be placed in a separate account for VA to obtain the same electronic health record system that the DoD is deploying. Like streamlining community care, restructuring VA's EHR to be the same as the DoD is also common sense and will aid veterans by having one seamless record that will follow them from service to veteran status.

Since his time in Congress and on this Committee, Chairman Roe, like many of you, have called for VA to have a simple, effective, and integrated system with the DoD, and will help support—with help from this Committee, it can finally happen.

Moving on to a topic that is near and dear to my heart is the eradication of homeless veterans in this Nation. The American Legion was beyond pleased in 2009 when then VA Secretary Shinseki laid out a comprehensive plan to eradicate veteran homelessness by 2015. Through General Shinseki's efforts, veteran's homelessness saw over a 40 percent decrease, which was an amazing feat by anyone's standards.

That said, at any given point now, there are roughly 40,000 homeless veterans on the streets of America, and that is not ac-

ceptable by the American Legion, and I imagine it is also not acceptable by this Committee. The President's proposed budget calls to sustain funding levels for the SSVF program, a program that essentially is the center's spoked wheel and aids multiple non-profits at ending homelessness within the veteran community.

The American Legion appreciates the President's desire to maintain the level of funding, but highly encourages this Committee to make SSVF program permanent along with increasing the funding for this critical program which could send a clear message that this Committee and Congress wants to end the horrific plague within the veteran community.

Lastly, Mr. Chairman, while reviewing the President's proposed budget we noticed an attempt to reduce the promised benefits of some veterans to provide funding for others. The American Legion has long opposed the rounding down of the cost of living adjustment, and urges this Committee to fight the attempt to rob Peter to pay Paul.

We understand that $12 is not a lot of money to some, but to others it is. We understand that some veterans have proudly declared that they would happily give it up to help other veterans. And that only speaks to the character of those this Committee and the American Legion aims to help. However, the American Legion, which celebrates its 99th birthday today, has spent the last 99 years advocating and fighting so veterans do not have to shed their own benefits for the sake of helping out their brothers and sisters in arms.

In closing, Mr. Chairman, the American Legion appreciates the work this Committee and your staff does in the name of truly helping those who have served this Nation. Further, we are thankful for the leadership from you and Ranking Member Brownley to review the President's proposed budget and for engaging the American Legion on these important and critical issues.

With that, Mr. Chairman, and Ranking Member Brownley, and Members of the Committee, I am happy to answer any questions you may have, and thank you very much.

[THE PREPARED STATEMENT OF MATTHEW SHUMAN APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you. Dr. Clancy, you are now recognized for five minutes.

STATEMENT OF CAROLYN CLANCY

Dr. CLANCY. Thank you. Good morning, Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee, and thank you for the opportunity to be here today. Your commitment to and leadership on behalf of our Nation's veterans is unwavering and inspiring. And I want to thank the VSOs for their continued commitment and advocacy. And as you noted, today I am accompanied by the Deputy Chief Finance Officer Rachel Mitchell.

This budget request for 2019 is strong and allows VHA to continue on the path towards improving timeliness and quality of care, ensuring greater access to care, as well as increasing investments in our foundational services. It is our duty to ensure the necessary

resources, clarity, and tools are available in order to provide care to veterans, and this budget request fulfills that obligation.

The budget includes $8.6 billion for mental health services, an increase of $468 million, or 5.8 percent increase above the 2018 current estimate. This increase enables about 162,000 more outpatient mental health visits in 2019, and directs $190 million for suicide prevention outreach.

As you know, we have a nationwide epidemic for the entire country which disproportionately impacts veterans, and that is suicide, which is why suicide prevention is one of Secretary Shulkin's top priorities. VHA recognizes that veterans are an increased risk, and we have implemented a national suicide prevention strategy to address this crisis.

It is based on a public health approach that is ongoing, utilizing universal strategies while recognizing that suicide prevention requires ready access to high quality mental health services. So that means we have programs that address the risk for suicide directly. And very importantly, starting far earlier in the trajectory.

We also know VHA cannot do this alone. Of the 20 veterans who suicide each day, 14 are not enrolled in our system. So when I was speaking at a conference yesterday, I think the Surgeon General was Tweeting, "Find the 14," because that is what we rely on our partners to help us with. We know that the six who are enrolled in and get mental health care from VHA actually do better than those who are not.

And this nationwide community approach that we need will help us solve some of the upstream risks veterans face, such as loss or belonging, meaningful employment, and engagement with family, friends, and communities. The budget also enables us to effectively implement the President's executive order that supports transitioning military members with mental health services during that first critical year. And at this moment I just have to salute our VSO partners on this. They have been all over this with us, and so I wanted to say thank you.

This joint action plan was developed by the Departments of Defense, Homeland Security, and VA, submitted to the White House on March 9th. Another big problem that we have in VA and, frankly, in the Nation, is management of chronic pain. And at the same time, we know the risks to patients of excessive use of opioids.

We have made impressive strides working with our veterans to rely less on opioids and use non-pharmacologic treatments such as acupuncture and other alternatives, but we are not done yet. As we continue to reduce excessive reliance on opiate medication and respond to the requirements of the CARA legislation, we are expanding pain management research in 2019 in two areas.

One is testing and implementing complimentary and integrative approaches to treating chronic pain. And in a second longer term initiative we are working on other drug models and current drugs in the market to test their efficacy for treating pain.

You may have seen a VA research study published just last week comparing one-year use of opioids with nonsteroidal anti-inflammatory drugs, which you might know as Advil or Aleve. And actually at one year the people who were not on opioids had better outcomes. So I might ask to submit that for the record.

Another study being developed under the learning health care initiative is being launched that will evaluate the impact of implementing a new tool to identify veterans at high risk of adverse effects from their opiate medication.

As a couple of my partners here have acknowledged, we have too many veterans sleeping on the streets at night instead of in their own bed in their own home. In 2019 we will be investing $1.75 billion in programs to assist homeless veterans and prevent at risk veterans from becoming homeless.

Our initiative develops strategies for identifying and engaging homeless veterans, and researchers also work to assure that homeless veterans receive proper housing, a full range of physical and mental health care, and other relevant services, and they are using existing data to identify, engage veterans who are currently homeless, and to develop strategies to identify and intervene as early as possible.

As the Nation's only health research program focused exclusively on veterans' needs, VA research continues to play a vital role on the care and rehabilitation of our men and women who have served in uniform. Building on more than 90 years of discovery and innovation, our research has a proud track record of transforming VA health care by bringing new evidence-based treatments and technologies into everyday clinical care.

The 2019 budget includes $727 million for development of innovative and cutting-edge medical research for veterans, their families, and the Nation. Advances in treatment and medical technologies have significantly reduced the impact of certain disabilities in the lives of many veterans. And we have a full spectrum of research from very, very basic science to the cutting edge; Million Veteran Program, rehabilitation medicine, and so forth.

Finally—whoops—yes, we are also focusing on women's health, one of our fastest cohorts of veterans, by adding almost $29 million in fiscal year 2019, an increase of nearly 6 percent over 2018. The number of women using VHA services has more than doubled since 2006 to 2016. And in order to address the growing number of women veterans, we are strategically enhancing services and access for women veterans.

Together, we are working to address all of these critical health issues that affects so many of our veterans. We have made a great deal of progress with your support, and there is still a lot more to do. This budget request is a step toward that continued progress, and throughout all of health care, we know that the best systems know that providing care that is timely and consistently high quality is a team sport.

Mr. Chairman, I look forward to working with you and the Committee on doing what is right for veterans, and to your questions.

[THE PREPARED STATEMENT OF CAROLUN CLANCY APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Well, I have to say I am pretty impressed with everyone today because everyone was easily under five minutes. And we do not often see that, so I appreciate it, so that we can spend the time with our questions, and getting some answers.

Before I start asking some questions, I do want to make a couple comments. I do appreciate what you are doing for pain management in the VA. You know, I operated on extremities, and you would think that breaking bones and putting hardware in would be extremely painful, but if you manage it correctly it does not have to be.

My patients hardly ever used opioids for the very reasons you are talking about. The use of steroids and anti-inflammatories after surgery, local anesthetic blocks. We need to continue to produce best practices in pain management that avoid opioids. And that is not just in the VA, obviously, but across the country. So I appreciate the work that is being done there.

Mr. Murray, you talked about closing the gaps. We need to fill the gaps. That is really what we have to do is fill gaps, and I know that is what you intended to mean there, and I appreciate that. And we need to eliminate dead space and fill the gaps that we need to fill.

I just was in Puerto Rica when we did a VA hearing there over the weekend, and you talk about an interesting situation that they have there. The VA in Puerto Rico, their penetration, of those eligible to use VA, is 72 percent when it is about 36 across the United States. So those eligible to use VA that do use VA is about 72 percent. It is a very high number.

During the disaster that occurred down there, they kept their lights on, they were open 24/7 taking care of people. They were the main caregiver on that island compared to anyone else. It was very moving to see. And I do want to compliment what I was able to find out from the VSOs that we met with while we were down there.

When this disaster took place, you had very high-risk veterans in their homes, if they were even in their homes by the way, if they even had a roof, some on CPAP machines and things like that that require electricity. And they went out, they gave of their time and treasure to voluntarily go and find high risk veterans to make sure that they were okay, to make sure that they were getting what they needed, to make sure they could get them a generator so they could keep their CPAP machine running. My hat is off to those veterans that were out there looking out for other veterans during that time.

So I thank you all for being here today. Now the questions. If I may, I will go with that. And, Dr. Clancy, we know that there is a shortage of providers, there is a shortage of providers across the country, but in the VA particularly mental health, primary care, and certain specialties. The VA health profession scholarship program has not provided any scholarships for physicians or dentists in the past five years. Will your budget commit some funds to achieve this purpose?

Mr. CLANCY. This budget for 2019 gives a much bigger increase to the education and debt reduction program. There has been quite a bit of study, Mr. Chairman, on is it more effective to give people scholarships at day zero or to pay back their loans in a very meaningful way later. And in terms of retention rates, I believe that most programs have found that it is actually more effective to do the later, which is the program that we have. So we are very, very

grateful for the support, and we will be using those funds to target and particular providers in their mission critical occupations.

Mr. WENSTRUP. So you are finding that is a better route to take—

Dr. CLANCY. Yes.

Mr. WENSTRUP [continued]. —is what is—it would be curious to see some of the numbers that you have on that and how—

Dr. CLANCY. Sure.

Mr. WENSTRUP. —you are filling some of the positions that we need. And in that same vein, the budget request proposes hiring almost 6,000 additional full-time employees. Can you provide the Subcommittee with a break-down of the positions that these new employees would fill?

Dr. CLANCY. Yes. I would need to take that for the record, but would be happy to do that.

Mr. WENSTRUP. I appreciate that. I would like to—we will probably have a few rounds here today, but I would like to proceed, and, Ms. Brownley, I yield to you.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I thank you all for your testimony and I just wanted to bring up two issues that I think are pretty simple and straight forward, and easily achievable in this budget. One is the—that Ms. Dean brought up in terms of IVF.

You know, this is a new program that was established that has been ongoing, but yet the funding is not there in the budget, and I just think that we need to be clear that this is going to be an ongoing program for our veterans who cannot have children because of their service to our country, and it is just critically important that we do that. I do not think anybody disagrees with it, that is why I think it is like a simple, straight forward thing that we can be done. The other think is as it relates particularly to women is understanding that there is a $29 million increase around support for our women veterans, I think, Dr. Clancy, that you said. And that is great. I think you said it was a 5 percent increase, but you also said that the increase of women veterans has doubled. So—

Dr. CLANCY. Over ten years.

Ms. BROWNLEY [continued]. —Over ten years.

Dr. CLANCY. Yeah.

Ms. BROWNLEY. But, you know, I think we need to, you know, look at that number and try to really determine what the impacts and improvements will be with that kind of investment and where we still need to go I think in terms of investment around women's health.

The main issue for me sort of on the macro level, overall looking at this issue, and, Dr. Clancy, we discussed this in my office yesterday, is the fact of this particular budget proposal takes all of the health care delivery accounts, if you will, and merges them, you know, sort of all into one.

So, you know, the whole issue—the issue that we continue to talk about in this Committee is our investment in the VA, and its infrastructure, and our investment into a community care program. So I want to, you know, I want to understand why this is, and as I expressed to you in my office yesterday, it is a big concern for me

because I think we need to account for how these resources are being spent, and from my perspective I am looking for a more equitable distribution of those funds to increase health care delivery for our veterans across the country.

So I worry that if we combine all of this into like, you know, one fund, you know, how, you know, how are we going to make sure where the resources are going? I know you mentioned, well, we are worried about running out of money too early for community care, and this gives us a little bit more flexibility and (indiscernible) with funds, but on the other hand I am concerned about, you know, shifting funds, you know, fully one way and not the other. So if you would comment on that.

Dr. CLANCY. So, thank you, and thank you very much for your support for women's health and the other issues that you mentioned. I think it is easy and direct to say because it is absolutely true, that the Secretary and I share a very, very strong commitment to making our system as strong as possible.

At the same time, we recognize that on the ground, particularly in areas where there is competition for particular types of providers, that may not necessarily be a national case, or it may be, or it just may be a very idiosyncratic issue for that market.

If a provider leaves, for example, and we have appointments stacked up for that provider, but that person has moved on to another job, or maybe we asked them to leave for some very good reason, then we have—we want to hire as quickly as possible. We are not at a place yet where we can hire that quickly, and more to the point I think running this health care system like a business you would want our directors to be making a strategic decision, are we go to make or buy.

So, for example, in one of our facilities a few years ago a couple of gastroenterologists left and their biggest need for gastroenterology happened to be colon cancer screening. So they actually did a pretty good assessment of what was the capacity in the community, and decided that it was actually to the Government and the veterans' advantage to buy those services in the community.

I take your point loud and clear with concerns about the appropriate balance between VHA and our use of community care as we transition to becoming a high performing network. The point I would emphasize is that what we are hoping for is flexibility at the local level so that our directors are making the right decisions rather than saying which way is easiest in terms of needing to go through layers of approval, but that that flexibility needs to come with oversight so that we could report to you. And I know that you expressed some frustration—

Ms. BROWNLEY. Yeah.

Dr. CLANCY [continued]. —that we have not—

Ms. BROWNLEY. I am concerned about the—

Dr. CLANCY [continued]. —been exposed.

Ms. BROWNLEY [continued]. —oversight piece of it.

Dr. CLANCY. Yeah.

Ms. BROWNLEY. I understand, you know, at some level the ability that be flexible to meet the needs in a community that is going to be different from another community across the country, I get that. But I am very much worried about the accountability piece of it.

My time has run out, but if we have another round of questions, I want to ask the VSOs to comment on this particular issue.

Dr. CLANCY. Okay. Great.

Ms. BROWNLEY. With that, I yield back.

Mr. WENSTRUP. Mr. Bilirakis, you are now recognized for five minutes.

Mr. BILIRAKIS. Thank you. Thank you, Doctor, I appreciate it very much.

Dr. Clancy, you mentioned that the—on the mental health services, I really appreciate the President's budget increasing the mental health services by $468 million. Specifically, how much will be spent with regard to the executive order on mental health services for the post-one-year transition period? And then if you could elaborate a little bit on the transition period, the executive order, I would really appreciate that.

Dr. CLANCY. Sure. And let me just say, starting with the executive order first. That whole plan is just we are just getting some feedback and working through that from the White House, but we will very much look forward to sharing that with you. And really, as it happened, I had my monthly breakfast with VSOs the morning that this was going to be announced, the actual date was a bit of a work in progress until about a day or two earlier.

And when I shared that information, everyone was out of their seats saying, we are in, we have got to be in because we have got people on bases or we have got people providing services to veterans who can part of this solution. I mean, it was really amazing, and since then, they have very much been very active partners.

Our plan, Congressman, is to invest $500 million over the next two years in implementing this executive order. Now that includes more mental health care services. In some cases, it includes hiring more suicide prevention coordinators. It will include some investments in partnerships and as well as our whole health initiative.

I mean, what we—we want to have a safety net for transitioning servicemembers for that year because we know it is a year of higher risk, at the same time we do not necessarily want to convey the message that by definition you are broken because you are transitioning out of military service.

So the whole health model is a model that focuses on the importance of the mind/body connection alternatives to dealing with stress and coping with life issues. And, actually, at the initial step for that in implementing the executive order will be a series of orientation sessions, it also includes a very strong focus on peer supports, which many veterans find to be very, very helpful.

So happy to give you more details as we build that up, but we do have a very robust plan. And as soon as we are finished dealing with the feedback, we will look forward to sharing that with you.

Mr. BILIRAKIS. So veterans will be involved, the stakeholders will be involved in that—

Dr. CLANCY. Absolutely.

Mr. BILIRAKIS [continued]. —as well?

Dr. CLANCY. And they have been phenomenal. And we will be testing it at all times. I had a lovely conversation with the Chairman about this who thinks that actually this needs to start way before the time of transition and—

Mr. BILIRAKIS. I agree with that.

Dr. CLANCY. I am totally good with that. And I think this collaboration gives us the space to raise all those issues, but we will look forward to sharing with you the whole plan.

Mr. BILIRAKIS. Please do.

Dr. CLANCY. I think of that year as both no wrong door, but also no wrong time.

Mr. BILIRAKIS. Very good. I have one more question, Mr. Chairman.

The written statement from the independent budget alleges—for Dr. Clancy again—that VA research for post-deployment mental health conditions, gender specific care, prosthetic care, Gulf War illness, toxic exposure, TeleHealth, and caregiver support, quote, "remain critically underfunded," according to the independent budget, underfunded by the VA. Do you agree with this statement, Doctor?

Dr. CLANCY. So having run a research agency, not at VA but part of HHS, for a lot of years, first of all, anyone who says we need more money for research, I am about to say that is wonderful. That said, I recognize, particularly with the investment that we have made in the Million Veteran Program, that we are constantly looking at what is the best strategy for making those investments and how do we set priorities.

I think we get a huge return on investment, both by virtue of how much we get per grant in terms of productivity but also because of our direct proximity to the delivery system where we can translate those findings into practice in improved care for veterans.

Mr. BILIRAKIS. Thank you very much. And I yield back the rest of my time. Thanks.

Mr. WENSTRUP. Mr. Takano, you are now recognized for five minutes.

Mr. TAKANO. Thank you, Mr. Chairman.

I would like to ask some of the VSOs if they have any thoughts or concerns regarding VA's recruiting and retention efforts or initiatives. What more can be done to address the ongoing challenges related to recruiting and retaining top talent at the VHA?

Mr. MURRAY. Sir, one of the things that we view as critical is keeping the Public Service Forgiveness Loan Program. Currently right now in the Prosper Act, the Higher Education Authorization Act, there is a plan to remove that. We think that that is a critical tool for VA to use to recruit and retain the best and the brightest.

Mr. ATIZADO. Congressman Takano, I appreciate that question, thank you so much for that. I think one of the thing that VA needs, at least something that Congress can do to help VA, is actually help pay these folks better. When we are talking about pay increase, I think they have been hurting for a few years now. So if we could start with who is there and help them, you know, feel like they are being recognized for the hard work that they do day in and day out, I think that will go a long way.

Move along to the investment that VA's requesting, it is a pretty small percentage considering the amount of vacancies that they have. Granted that there will always be a certain amount of vacancies, but I think that Delta there is a little bit too high for us to have confidence that the number of folks that they are going to

hire is actually going to meet the needs of the over 6 million veterans that come to VA every year.

Mr. TAKANO. Great. Thank you.

Mr. SHUMAN. Congressman, I will echo—I am sorry, ma'am—I will echo the same sentiments that have shared here. I will also add, this comes to no surprise that, you know, there are over 40,000 vacancies at VA, and the problem is is that weight of the job that is not being done by those 40,000 people is added to the other people. We need to ensure that those 40,000 vacancies are filled with quality people in a much faster process, in a much faster way to ensure that the work load is not divided between everyone else.

Ms. DEAN. I agree with the sentiments of my colleagues. I would only add that for regarding pay, is considering also that the majority of these providers are providing care for people with a high level of need that involves everything—involves more physical risk, but also the burnout is that much faster. So taking into account the toil that they are in and the level of work that they are doing when considering pay.

Mr. TAKANO. All right. Thank you.

Dr. Clancy, in the fiscal year 2019 budget request, I notice that the VA has advanced the number of new GME positions created under the VA CAA to 774 positions. When do you anticipate filling the other 726 spots?

Dr. CLANCY. First of all, that was just a phenomenal opportunity for those of who remember from the initial Choice legislation we were given the opportunity to create 1,500 new residency slots. I believe that we are looking at a couple of hundred additional ones over the next few years.

The reason we have been a bit slower than I think many had hoped was that the legislation also specified that we should be recruiting providers in primary care in underserved areas, and rural communities, and so forth. So we invested a couple of years, which I think was exactly the right thing to do, and we did in broad consultation with the academic teaching community in building the necessary infrastructure at some of the rural facilities that we have that did not necessarily have it.

This is necessary to make sure that students and residents get a good experience but also, quite frankly, to comply with accreditation requirements from external regulators.

Mr. WENSTRUP. So I realize you had these challenges, and I am pleased that we have allocated additional resources. Are you confident you are going to be able to use—be able to fill—utilize the rest of these spots that we have authorized? We worked so hard to do—

Dr. CLANCY. Absolutely. Absolutely. And one reason that gives me huge confidence and optimism is there are more and more osteopathic schools and their leadership was just meeting with us, with me and the Secretary, last week. And, frankly, they are producing a much higher proportion of primary care providers, which I think is terrific. But huge growth in that community as well as in the Nation's allopathic medical schools.

Mr. TAKANO. Of course, I would—I am hopeful that we can try to continue to address the supply of doctors as well as nurses and

other practitioners, but especially our physicians, and in these underserved areas.

Dr. CLANCY. Yes.

Mr. TAKANO. And I hope we can continue to work together to help districts like mine, and Ms. Kuster's, and all of the rural states that we have represented on this Committee.

Dr. CLANCY. No, we would love that. And, you know, to be honest, it creates a new level of excitement and enthusiasm at some of these facilities as well who have been missing out because they do not have the standard academic affiliates.

Mr. TAKANO. Well, thank you. I appreciate that.

Mr. Chairman, I yield.

Mr. WENSTRUP. Ms. Kuster, you are now recognized for five minutes.

Ms. KUSTER. Thank you very much. And thank you to my colleague for the shout out about academic affiliates. We are working on that right now with Manchester, New Hampshire, VA. So thank you for all your help on that.

Couple quick questions about the situation in Manchester. For my colleagues, we have a task force now that is trying to look into the future for better access to health care services for our New Hampshire veterans. But I am troubled by two developments that I want to bring to your attention.

One is that unfortunately the President's budget is not encouraging. Manchester, New Hampshire, has only one project ranked in the top 50 of the Department's strategic capital improvement plan despite the serious issues that have been laid out in the Boston Globe, and that the Secretary and

Dr. Clancy are well aware of. The desperate need for primary care translated to an expansion project ranking number 181 on the priority list. So I do want to bring that to your attention and work with you going forward for a commitment on prioritizing projects and the urgency of getting care to our veterans.

The second issue has to do with the maintenance budget. And I am very troubled to read that an additional $4 billion of nonrecurring maintenance funding provided by Congress as part of the budget balance agreement is going to be taken back and used for other purposes, and yet we have dozens of Manchester projects as nonrecurring maintenance that were listed as future potential projects.

And I just want some clarification, if not now, then we will take it off-line. But I am concerned, we, you know, it is an old facility as there are old facilities all across the country, and maintenance is critical.

The third issue I do want to get direction on because I am very troubled by this. There has been—part of the VA initiative in developing the Vision 2020 Task Force was to investigate the needs, which is a good place to start. There is an assessment that has been done, though, that has a glaring error that I want to bring to your attention.

It references several times a CBOC in Saint Johnsbury, Vermont, that does not exist. And so this whole methodology is called into concern because—called into question because the market assess-

ment used a facility that does not exist and talks about expanding that facility, et cetera.

So I am concerned because, obviously, that calls into question the whole study. So those are the issues related to Manchester. If you can respond, feel free. If not, I will keep going, and we will take it off-line.

Dr. CLANCY. Yes. So just on the last. We will fix that error. And, also, have our people take another look at that entire assessment. It was our belief in establishing this task force and, frankly, with your help and many others, we got phenomenal health care leaders outside of VA as well as VSOs and others; the State Director for Veterans Affairs serves as the co-chair.

We wanted this to be—to have the conclusions be the conclusion of the task force not what we were directing. At the same time, if the inputs were wrong then we need to fix those right away.

Ms. KUSTER. And I do want to say, I appreciate the collaboration with the community leaders. What my number one concern is that the outcomes from the task force have credibility with our veteran community, with our VSOs, and with our general public. At this point, we have heightened awareness for everyone about the future of the Manchester VA and providing health care to our veterans. So I appreciate your follow up on that.

And I will just close by saying I was very pleased to hear your testimony about the VA research on the opioid epidemic, and I think it is very promising. Veterans were first in, I am hoping that they will be first out of the opioid epidemic, and New Hampshire is very hard hit. But what you laid out for research on expanding alternatives for pain management, expanding alternative drug options, I definitely want to look at the research you talked about about anti-inflammatories, I think that is critical, and identifying veterans at high risk of opioid addiction.

These are all holes in our understanding. And I think, once again, the VA could lead the country in helping us to solve a critical public health emergency. So thank you for that. And I yield back.

Dr. CLANCY. Well, thank you. That is clearly our goal. Just very quickly, we will follow-up with you off-line about the maintenance and infrastructure issues.

I am very, very proud to say that in terms of veterans who are on opioids chronically, new starts, veterans who are started on that path have been reduced by 90 percent, which is really beginning to change the equation. That said, we are not achieving the results that we have seen by simply telling people time is up. We are working very closely in partnership with veterans, so I wanted people to be very clear about that.

Mr. WENSTRUP. Dr. Clancy, we hear different numbers on the vacancy rate. And I do not know if you have a particular point in time, a date, where you can say when we last checked, you know, on January 1st of 2018, this was our vacancy rate, and maybe that is something you have come back with me on. But I would like to know if you have some kind of data and maybe provide us with accounting of every vacancy by position, job title, et cetera.

Dr. CLANCY. I think a productive conversation would be a follow-up off-line, and happy to do that, or on the record. I will make a

couple of points. One is that what the Department has just recently established about four months ago a new office of—it was supposed to be called Manpower, I asked for a different name, so I do not know the official name.

But the point is that there would be position management across the entire department, of which VHA would be the largest part. We have not had that before. The walk around number I would use for vacancies is 36,000, which if you look at turnover in health care and turnover within our system, sounds about right. That does not mean that there are 36,000 empty chairs today, but some are in transition to being filled, and so forth.

All that said, I think you are all aware that until this year, our HR system required us to more or less send an email to all the facilities to say how many openings do you have, because HR had a separate database at each facility. We are now constructing a centralized database, which I know requires a lot of cleanup which is why it is taking time. So I am confident that in the next few months we will have numbers that I would feel very comfortable with. Right now, they are all ballpark

Mr. WENSTRUP. And periodically getting those numbers would certainly be something to look at, and I realize the exact numbers will change daily—

Dr. CLANCY. Yes.

Mr. WENSTRUP [continued]. —and the exact number of positions will change daily, but if we can start to look at some patterns here that would be helpful. I also, you know, as we see medicine changing and we have talked about that, VA assets over the years, we are just like everyone else, it was more hospital-based, inpatient beds, and this, and that, and we have obviously seen medicine change dramatically. That there are fewer overnight stays, and shorter stays within the hospital, more outpatient type surgery.

So where are we in reviewing and maybe realigning some of our assets like the other hospital systems have to where you have a low census inpatient facility converting that to outpatient clinics, and surgery centers, and maybe less than 24 hours stay, that type of thing?

Dr. CLANCY. So we are looking that very close— looking at that issue very closely from a couple different lenses. One is the Department and Administration's overall focus on modernization so that each VISN will be doing a market assessment of their markets. That has been slowed down a bit by a contract dispute or protest. But we are not going to be stopping there, it just may take us a little longer to get to the same end goal.

I think the— we are taking a special look as well at our rural facilities, some of which are quite vital in their communities, but, you know, the average daily census is pretty low. So we are trying to take a very good look at that to figure out what is the right thing to do. For some patients, that is lifesaving to have that stop even if they end up getting transferred elsewhere. On the other hand, if you have got an average daily census of five or six, you have to be very concerned about quality, and safety issues, and so forth. But happy to follow up with you on that.

Mr. WENSTRUP. I appreciate that. And Ms. Brownley, you are now recognized.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I just, again, wanted to follow up now with the VSOs on my question to Dr. Clancy in terms of in this budget proposal sort of the merging of all the different health care delivery accounts into one and zeroing others out. Do you have any concerns—anybody can speak to it, but do people have concerns about that?

Mr. ATIZADO. Thank you for that question, Congresswoman Brownley. You know, I can appreciate facilities wanting to have the flexibility to do with as they see is required at the local level with the monies that they receive, and I am pretty sure that community care outside of Choice funds is actually all within the flexibility that facilities need to use it in.

I think the request to merge the two accounts, the community care account and the future of Choice, I think, as well as the regular medical discretionary medical services, the concern that we have is the ability to conduct oversight and aggregate. I am all for letting local facilities use the funds that they are provided the way they need it to meet the needs locally, but—and for oversight purposes I do not see why it would be so much trouble to allow us an aggregate in the higher level to look at the performance of them providing care in VA, as well as in the community.

Ms. BROWNLEY. Anybody else? Or does that represent everybody else's perspective?

Mr. SHUMAN. I think exactly what he said we share those sentiments. I will sort of hit the ball out of the park in terms of oversight. That is exactly what this Committee is designed to do, and I think it will continue to need to do that. I think streamlining will be, as I said already, effective, and sort of streamlining and try to prevent waste I think during this will probably be go good idea. But ensuring this Committee exercises its constitutional right of oversight is vital.

Ms. BROWNLEY. Well, thank you for that. And I did, Dr. Clancy knows this, in our meeting yesterday I talked about, you know, exactly this piece in terms of, you know, transparency, accountability oversight piece of it. And, honestly, my sort of lack of confidence at this particular point in time that VA would provide those deliverables, you know, to the Committee in a timely way so that we really know kind of on a quarterly or monthly basis kind of the direction and where things are sort of going so that we, if we need to we can, and sort of reassess. But we are going to just have to wrestle with that I think as time goes on.

Dr. CLANCY. If I could make one point briefly?

Ms. BROWNLEY. Sure.

Dr. CLANCY. We do have one model that works this way, and this is how we allocate medication funding. So there is a central medication pharmacy benefit management program in a central warehouse, which gets, you know, higher and higher scores every year in terms of customer satisfaction and so forth.

But in terms of purchasing medications and pharmaceuticals at the facility level, they all have an account they can draw on and that has worked very, very well. What I do not know, but we could certainly find out, is how long it took them to get to that level of reliability, but we would be happy to follow up with you on that, just as a model.

Ms. BROWNLEY. Very good. So, Dr. Clancy, also I know that in February the Secretary received three names from the commission that is tasked with finding viable candidates for the position of Under Secretary of VHA. Do you know if the Secretary submitted any of these candidates for review and potential nomination from the White House?

Dr. CLANCY. He mentioned them in a meeting, but that is as much as I know. I believe the commission met and interviewed a variety of candidates in late January or right at the very beginning of February. We would be happy to follow up with you on that.

Ms. BROWNLEY. Thank you. And just one last question. I concur with my colleague Mr. Takano on, you know, the issues that he was raising about so many unfilled positions across the VA. I see that as a critical problem, and I do see these sort of vacancies and IT systems across the VA as sort of foundational pieces that we are not going to move forward on a lot of the objectives that we want to achieve and we spend a lot of time talking about new programs and, you know, new goals and so forth, but we have to get back down to some of the foundational issues which is filling these positions and having, you know, sort of state-of-the-art IT systems across the VA.

Just in terms of one very important IT system, if you could, Dr. Clancy, kind of provide us with a status update on where we are in terms of Cerner and where that stands. My understanding is that the Secretary was supposed to appear at a health care information and management systems society conference in Las Vegas, and he was going to publically announce the award of the electronic health record management project to Cerner, but that did not occur so if you could update us.

Dr. CLANCY. He did appear and made some other announcements, which I think will be also very important. But we are closing in on signing this contract. We have one more round of technical review, and we have actually brought in some (indiscernible) very credible and highly recognized experts from the private sector, and really focused on are we getting interoperability right, because not only with the Department of Defense but within our own system, and also with our partners in the community, that is vital to making sure that information flows seamlessly in terms of providing veterans great care.

The announcement the Secretary did make was to say that we are opening up our system so that innovators can actually develop apps for the public for veterans and, you know, that there is no entry barrier. So if some startup company has got great ideas for how to do that they will be able to do that.

And he also announced that 11 other large health systems have made the same commitment and Cerner will not charge us a transaction fee for doing that. So I think that is going to be a big game changer in electronic records, and looking forward to celebrating with you when it is all signed.

Ms. BROWNLEY. So thank you for that and I just to get back to Cerner for one moment, and I agree interoperability is critically important. When do you think this is going to get nailed down?

Dr. CLANCY. I am told in the very near future. I was just checking—

Ms. BROWNLEY. What is that? Two months, three months, three months, a year?

Dr. CLANCY. I would guess one month, but we will get you a definitive or the best estimate we can give. We are actually anxious to get moving because we have had people working on this for close to a year now, in terms of doing the preplanning, learning everything the Department of Defense did, and, frankly, learning about what maybe they wish they did differently, and so forth. So those folks are like very impatient.

Ms. BROWNLEY. Thank you. And I yield back.

Mr. WENSTRUP. I just have one more quick question. We have veterans that have non-service-connected conditions that they want to get treated at the VA and they use their private insurance to do that. My understanding is the collection rate based on billings is only about 36 percent. Where are we with improving garnishing that revenue from their insurance if they choose to use the VA, which is a compliment to the VA that they want to do that?

Dr. CLANCY. Yes. We have a new leader in community care who comes from the private health insurance industry and actually has vast experience in this. So I would like to take that off-line but bring it back to you. One of the other issues that we run into, of course, is I do not think we are as good as we should be, it is just this is how we are supposed to do in terms of asking veterans.

So I think the conversation that goes on a lot is, do you have your insurance card, and someone says no, and we say okay. I mean, that is kind of the end of the conversation. And, frankly, I think that we need to educate our veterans more, that this is not a special punishment that we are administering, that this is actually what the statute requires.

Mr. WENSTRUP. Got you. Well, listen, I want to thank everybody for being here today. And if there are no further questions. The panel is now excused.

And I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks, and include extraneous material. Without objection, so ordered. The hearing is now adjourned.

[Whereupon, at 11:12 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Matthew J. Shuman

ON

"DEPARTMET OF VETERANS AFFAIRS FISCAL YEAR 2019 BUDGET SUBMISSION FOR MEDICAL PROGRAMS AND CONSTRUCTION"

Chairman Wenstrup, Ranking Member Brownley, and distinguished members of this Subcommittee, on behalf of Denise H. Rohan, National Commander of The American Legion; the country's largest patriotic wartime service organization for veterans and our 2 million members; we thank you for inviting The American Legion to present our position on President Trump's proposed FY19 budget for the Department of Veterans Affairs.

The American Legion is a resolution-based organization. We are directed and driven by the millions of active Legionnaires who have dedicated their money, time, and resources to the continued service of veterans and their families. Our positions are guided by 99 years of consistent advocacy and resolutions that originate at the grassroots level of the organization - local American Legion posts and veterans in every congressional district of America.

The American Legion appreciates the president's following through with the promises he made on the campaign trail. At a time when most federal agencies are experiencing a decrease in their respective budgets, the Department of Veterans Affairs (VA) will hopefully, with assistance from this critical committee, receive a much-needed increase.

Our members tell us they prefer to receive their medical care at VA. When an overwhelming force of veterans are all saying the same thing, it is vital that we listen to them. The president's proposed budget is reflective of veterans' voices, and should encourage this Congress to invest in the largest integrated medical system not only in the United States, but the world.

In 2003, The American Legion created and implemented our System Worth Saving program, designed to visit, examine, and audit Veterans Affairs Medical Centers (VAMCs). Through our program's town hall meetings, veterans have shared with us that they appreciate the VA, the VA understands them, and that the VA system is a system worth saving. The proposed budget, and the increase in funding in particular, is reflective of a desire to ensure there is a strong and robust Department of Veterans Affairs.

In a VA Fact Sheet, they stated, "The Budget demonstrates VA's ongoing commitment to providing Veterans more efficient, timely, and quality services by requesting an increase of $12.1 billion, more than six percent, above the FY2018 Budget. The Budget makes every dollar count by using management efficiencies and savings, modernizing systems, and focusing resources on foundational series and key priorities." The American Legion appreciates the requested increase and looks forward to engaging with this committee and the VA to ensure they use the funds appropriately, for the benefit of the veteran.

In reviewing the proposed budget, we will highlight and focus on three main impacted topics.

COMMUNITY CARE

"I intend to build a system that puts veterans first and allows then to get the best possible health care and services wherever they may be -in VA or in the community."

-VA Secretary David Shulkin, February 1, 2017

The veteran community learned from the 2014 Phoenix wait time scandal that there is a need for care in the community. After the Choice Act was passed and signed into law, the number of veterans who had the desire to receive care in the

community, opposed to the VA, skyrocketed. In 2018, a large percentage of veterans, many of which are proud members of The American Legion, have a preference to receive medical services closer to their homes.

When the Choice program was implemented, there were multiple other non-VA care programs such as Fee-Basis, Project Access Received Closest to Home (ARCH), Patient Centered Community Care (PC3) and others. By resolution, The American Legion has long endorsed combining and streamlining these multiple programs, creating one unified system that has the veteran and the best clinical interest of the veteran at heart.

Because of The American Legion's efforts, advocacy, and resolution, we stand by the president's budget request and appreciate the investment in the VA and the community care programs, with the intention to streamline and unify. President Trump's budget states, "The Budget provides $70.7 billion, a 9.6-percent increase above the 2017 enacted level, to provide high-quality healthcare services to veterans and eligible beneficiaries. The Budget also proposes $75.6 billion in advance appropriations for VA medical care programs in 2020, a 6.9-percent increase above the 2019 request. In addition, $11.9 billion would be used to enhance and expand veterans' access to high-quality community care, by consolidating multiple community care programs, including the Veterans Choice Program, into one unified program."

The American Legion calls on this committee, and the 115th Congress to ensure the Department of Veterans Affairs is properly equipped to provide state-of-the-art medical care to veterans through their facilities and community care providers. Further, The American Legion supports increasing funding levels, as this proposed budget calls for.

The American Legion applauds Secretary Shulkin for his focus on mental health issues leading to veteran suicide. The proposed budget calls for slightly more than $8.6 billion to expand and transform VA's focus on mental health services and is listed as VA's number one clinical priority. This funding is absolutely critical, not only as an attempt to reduce the number of veteran suicides, but also supports President Trumps Executive Order to improve mental health resources for veterans transitioning from active duty to civilian life and the Secretary's decision for VA to provide emergent mental healthcare treatment for veterans with other-than-honorable discharges. Losing one life to suicide is one too many.

VA INFRASTRUCTURE REVITALIZATION

The ability to provide the best care anywhere is not only about the medicine or methods in which medicine is delivered. The facility in which the care is administered is absolutely critical to the safety and successful treatment of those who have selflessly raised their right hand in defense of our Nation. Taking the necessary steps to ensure each and every VA facility, a VAMC, Community Based Outpatient Clinic (CBOC), Regional Office or others, is safe, modern, and efficient will only assist the agency in providing the best care for those who have served.

Veterans deserve a VA that is clean, modern, and safe. Providing the VA with the appropriate funding to deliver modern healthcare is the first step, but the subsequent steps include bolstering funding to guarantee that VA facilities are the best they can be.

The proposed budget would provide for $1.8 billion for 91 major and minor construction projects including new medical care facilities, national cemeteries, and projects at regional offices. The budget also provides $1.4 billion for non-recurring maintenance projects to maintain and modernize medical facilities. These investments enhance the safety and security of VA facilities and help VA programs and services keep pace with modern technologies.

- Approximately $1.1 billion will fund major construction projects, including construction of a community living center and domiciliary at Canandaigua, New York; construction of a facility that would specialize in spinal cord injuries at Dallas, Texas; and expansion of four national cemeteries that would provide slightly more than 80,000 new gravesites. This funding will also include $400 million to address critical seismic issues at VA facilities.
- In addition, $707 million will fund minor construction projects, including corrections and additions to Veterans Health Administration facilities, gravesite expansions at national cemeteries, and renovations at regional offices.
- VA would use the $1.4 billion in funding for non-recurring maintenance to address infrastructure needs in its medical facilities.

The American Legion understands the need to invest and modernize the infrastructure of VA, in order to provide quality services to veterans and their families. Considering and acknowledging that VA is the largest integrated medical system in the country, the need to update facilities and systems is never-ending. We support

the increased funding and expansion of and for VA facilities. Further, we applaud and welcome the increased funding aimed at making sure the VA is not only modern and safe, but that this critical agency is physically here for future generations of veterans.

We also applaud the creation of a new facility in Dallas, Texas, that would specialize in spinal cord injuries. The Global War On Terror, and any armed conflict, returns servicemembers with catastrophic injuries, often times impacting and damaging their spinal cord. The creation of a new spinal cord facility is a clear message that the VA will continue to be on the cutting edge of battle-borne injury, all in the name of the fine men and women who wore the fabric of our military in distant lands.

LIFETIME ELECTRONIC HEALTH RECORDS

The American Legion, through resolution, has long endorsed and supported the Department of Veterans Affairs in creating a Lifetime Electronic Health Records (EHR) system. Additionally, The American Legion has encouraged both the Department of Defense (DoD) and the VA to use the same EHR system, or, at the very least, systems that were interoperable.

In 2009, The American Legion was pleased when the Obama administration announced that the DoD and the VA would finally create a path to integrate the flow of patients' information between DoD's AHLTA (Armed Forces Health Longitudinal Technology Application) and VA's VistA (Veterans Information System and Technology Architecture) Electronic Health Record (EHR) platforms.

In 2015, DoD announced that Cerner was awarded a $4.3 billion, 10-year contract to overhaul the Pentagon's electronic health records for millions of active military members and retirees. However, around the same time, VA announced it would maintain and modernize VistA.

The American Legion was disappointed in VA's and DoD decisions to go in different directions and voiced concerns about their decision. Then, on June 6, 2017, Secretary Shulkin announced that the VA would adopt the same Cerner EHR system as the DoD during a news briefing at VA's headquarters in Washington, D.C.

The impending contract, that the VA is in the final stages of negotiating, will set the standard for record transferability and standardization in America. This new national standard will increase patient access, decrease wait times, and enhance good medicine for all Americans, not just veterans.

Through the president's proposed budget, it calls on Congress to provide $4.2 billion for the Office of Information Technology (OIT). If allocated, the budget would provide $204 million to recapitalize VA's legacy IT systems with new enterprise and business-lines as the data within these systems are vital, pertinent, and crucial to the success of future IT systems. Furnishing funds for legacy systems is not only necessary for the current systems, but is quite mandatory in order to ensure the data is transferred to the new EHR system.

In addition to maintaining the legacy systems that VA created and continues to utilize, $1.2 billion of the allocated funds for the OIT would be placed in a separate budget account for the acquisition of the current Cerner electronic health records system . Ensuring that VA has the necessary funding to maintain the Cerner system, and allowing the agency to obtain and utilize the same system as the DoD, is a massive step forward in interoperability with the benefit of the veteran.

The American Legion supports allocating the increased funding for the OIT and for the Cerner Electronic Health Records system, as both the DoD and VA have had disjointed systems for far too long.

VETERAN HOMELESSNESS

According to the VA, at any given point in January 2017, there were roughly 40,000 homeless veterans in the United Stated of America. Of those 40,000 homeless veterans, about 15,000 were physically living on the street and had no shelter. The American Legion has long assisted homeless veterans and has encouraged both the VA and the Congress to take necessary steps to drastically reduce that number.

The American Legion was beyond pleased in 2009 when then-VA Secretary Eric Shinseki laid out a comprehensive plan to eradicate veteran homelessness by 2015. Secretary Shinseki stated, "President Obama and I are personally committed to ending homelessness among Veterans within the next five years," said Shinseki. 'Those who have served this nation as Veterans should never find themselves on the streets, living without care and without hope." Now in 2018, Secretary Shinseki's plan to eradicate homelessness among veterans was not 100% successful; it did, by many people's standards, put a massive dent in this disgraceful problem.

Ending homelessness among veterans has been a substantial priority of The American Legion for many years. Supporting and making permanent the Supportive

Services for Veteran Families (SSVF) program has been an American Legion legislative priority for nearly a decade.

The SSVP program is a critical program and has been described as the center of the spoked-wheel in terms of corralling efforts to end veteran homelessness. The SSVF is a program within the Department of Veterans Affairs that provides grants and other resources to non-profits and organizations that assist homeless veterans and their families. The American Legion understands that simply providing a veteran a home is not the final solution to ending this national embarrassment of allowing the men and women who have served their Nation to be homeless. We have long endorsed and called for supportive services to assist homeless veterans, such as medical and mental healthcare, assistance in employment opportunities, aid in deciphering how to access and utilize the G.I. Bill, and other life changing services that help veterans. The programs, non-profits, and organizations that the SSVF program funds are proving veterans with more than just a home, they are providing them with much-needed services and most importantly, hope.

In context of eradicating homelessness within the veteran community, the president's proposed budget states, "The Budget supports VA's commitment to ending veteran homelessness by sustaining funding levels and providing opportunities to improve the targeting of intervention for veterans impacted by homelessness. Specifically, the Budget requests $1.8 billion for veteran homelessness programs including Supportive Services for Veteran Families and VA's component of the Department of Housing and Urban Development-VA Supportive Housing Program. These programs provide critical wrap-around care to help address and prevent veteran homelessness".

The American Legion applauds and supports President Trump's continued support of the SSVF program and the veterans it assists. By resolution, The American Legion calls upon this committee and the entire Congress to make the SSVF program permanent, and not simply sustain funding, but increase the funding to accomplish both Secretary Shinseki's and The American Legion's goal to completely end the plague of veteran homelessness.

The Supportive Service for Veteran Families program is the only national, veteran-specific program to help at-risk veterans avoid becoming homeless, and rapidly re-house those veteran families who lose their housing. It is critical, and this committee has the ability to truly put an end to an issue that is a dark stain on the veteran community.

CONCERNS

Lack of Research Funding: In reviewing the president's proposed budget, The American Legion was thankful to see a section focusing on the national epidemic of opioids. In fact, the budget states that "fighting the opioid epidemic is a top priority for this administration, and VA is at the forefront of combatting this public health emergency."

The American Legion is excited that the Nation is awakening to a concern we have been speaking of for years on the prescription of opioids, particular to those who have the invisible wounds of war.

During our review, we identified that addressing and combatting the opioid epidemic falls within the responsibility and scope of the Veterans Health Administration (VHA). Our concern is the lack of funding to research alternative therapies for this crisis. For example, the budget states the funding would be used for "multidisciplinary approaches in opioid prevention and treatment, including investments in: provider training to assess risk and manage treatment; mental health outpatient and residential treatment programs; opioid overdose, recognition, rescue and response training programs; medication assisted therapy for opioid use disorders; patient advocacy; and distribution of naloxone kits."

At a time when over-prescription seems to be an important issue, not only within the walls of the Department of Veterans Affairs, but the nation at large, The American Legion encourages the Trump administration, and through them the VA, to allocate funding for research into complementary and alternative medicines. The members of The American Legion, and veterans across this nation share stories everyday of remedies that assist them. Medical cannabis, service animals, hyperbaric oxygen therapy, equine therapy, and other therapies should receive a heightened amount of research.

If our goal, as a Nation, is to address the opioid epidemic, then we must properly fund the clinical research that may be an alternative solution to help those who have proudly served in the U.S. Armed Forces.

Cost of Living Adjustment: As previously stated, The American Legion supports many sections of President Trump's proposed FY19 Budget. By resolution, The

American Legion staunchly opposes the Cost of Living Adjustment (COLA) round-down.

Asking veterans to reduce their benefits to pay for the benefits of other veterans is a textbook definition of robbing Peter to pay Paul, and is unethical. Men and women served their country, often in harm's way, with the knowledge that if they were physically damaged from their military service, the United States would either aide them to recovery or would supplement them appropriately. If we, as a Nation, decide to deploy troops to conflict, then we have a moral obligation to care for them when they return.

The motto of the Department of Veterans Affairs is "To care for him who shall have borne the battle, and for his widow, and his orphan," and it is always incumbent to follow through with this obligation, not only when it suits the budget.

The American Legion urges this critical committee, along with the entire 115th Congress to oppose any form of benefit reduction of veterans in the name of providing benefits to others.

CLOSING

Chairman Wenstrup, Ranking Member Brownley, and other members of this critical committee, The American Legion thanks you for the opportunity to elucidate the position of the 2 million veteran members of this organization on President Trump's proposed FY19 budget as it relates to the Department of Veterans Affairs. r additional information regarding this testimony, please contact Mr. Matthew Shuman, Director of The American Legion Legislative Division at mshuman@legion.org, or (202) 861–2700.

Prepared Statement of Carolyn M. Clancy, M.D.

Good morning Chairman Wenstrup, Ranking Member Brownley, and members of the Subcommittee. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2019 Budget and FY2020 Medical Care Advance Appropriation (AA) request. I am accompanied today by Rachel Mitchell, Deputy Chief Finance Officer, VHA.

The President's FY2019 Budget requests $76.5 billion for VHA including collections. The $76.5 billion is comprised of $74.1 billion previously requested (including collections) and an annual appropriation adjustment of $500 million for Medical Services for community care and $1.9 billion for the Veterans Choice Fund. In total, the discretionary request is an increase of $4.2 billion, or 5.9 percent, over the President's FY2018 Budget request. It will sustain the progress we have made and provide additional resources to improve patient access and timeliness of medical care services for the approximately 9 million enrolled Veterans eligible for VA health care.

This is a strong budget request that fulfills the President's commitment to Veterans by ensuring the Nation's Veterans receive high-quality health care and timely access to services while concurrently improving efficiency and fiscal responsibility. As previously noted by Secretary Shulkin, these resources are critical to enabling the Department to meet the increasing needs of our Veterans and successfully executing the Secretary's highest priorities. My written statement will address those priorities specific to VHA and how the FY2019 budget request will assist.

Priority 1: Focus Resources

The FY2019 Budget includes $76.5 billion for Medical Care, including collections, $4.2 billion above the FY2018 Budget and $79.1 billion for the FY2020 AA. In order to ensure that Veterans get high-quality, timely, and convenient access to care that is affordable for future generations, we are implementing reforms that will prioritize foundational services while redirecting to the private sector those services that they can do more effectively and efficiently. These foundational services are those that are most related to service-connected disabilities and unique to the skills and mission of VHA.

Foundational Services include these mission-driven services, such as:

Primary Care, including Women's Health;

Urgent Care;

Mental Health Care;

Geriatrics and Extended Care;

Rehabilitation (e.g., Spinal cord, brain injury/polytrauma, prosthesis/orthoses, blind rehab);

Post-Deployment Health Care; and War-Related Illness and Injury Study Centers functions.

VA facility and Veterans Integrated Service Network (VISN) leaders are being asked to assess additional, community options for other health services that are important to Veterans, yet may be as effectively or more conveniently delivered by community providers. Local VA leaders have been advised to consider accessibility of VA facilities and convenience factors (like weekend hours) as they develop recommendations for access to community providers for Veterans in their service areas.

While the focus on foundational services will be a significant change to the way VA provides health care, VHA will continue to ensure that the fully array of statutory VA health care services are made available to all enrolled Veterans. VHA will also continue to offer services that are essential components of Veteran care and assistance, such as assistance for homeless Veterans, Veterans Resource Centers, the Veterans Crisis Line / Suicide Prevention, Mental Health Intensive Case Management, treatment for Miliary Sexual Trauma, and substance abuse programs.

In order to provide Veterans and taxpayers the greatest value for each dollar, the Budget also proposes certain changes to the way in which we spend those resources. For example, our FY2019 request proposes to merge the Medical Community Care appropriation with the Medical Services appropriation, as was the practice prior to FY2017. The separate appropriation for Community Care has restricted our Medical Center Directors as they manage their budgets and make decisions about whether the care can be provided in their facility or must be purchased from community providers. This is a dynamic situation, as our staff must adjust to hiring and departures, emergencies such as the recent hurricanes, and other unanticipated changes in the health care environment throughout the year. This change will maximize our ability to focus even more resources on the services Veterans most need.

Ending Veterans Homelessness

VA's homelessness research initiative develops strategies for identifying and engaging homeless Veterans. Researchers also work to ensure homeless Veterans receive proper housing, a full range of physical and mental health care, and other relevant services. They are using existing data to identify and engage Veterans who are currently homeless, and to develop strategies to identify and intervene on behalf of Veterans at-risk for homelessness.

In FY2019, VA is investing $1.7 billion in programs to assist homeless Veterans and prevent at-risk Veterans from becoming homeless. Funding provided for specific programs that reduce and prevent Veteran homelessness include $549.7 million for U.S. Department of Housing and Urban Development-Veterans Affairs Supportive Housing (HUD–VASH) for case management and supportive services to support about 93,000 vouchers; $320 million for Supportive Services for Veteran Families (SSVF); and $257.5 million for Grant and Per Diem program, including program liaisons.

Priority 2: Modernizing VA Systems and Services

Electronic Health Record Modernization

Having a Veteran's complete and accurate health record in a single common Electronic Health Record (EHR) system is critical to that care and to improving patient safety. We need to modernize VHA systems and services in order to continuously provide high-quality, efficient care and services, and keep up with the latest technology and standards of care.

The Budget invests $1.2 billion in Electronic Health Record Modernization (EHRM). On June 5, 2017, the Secretary announced that VA will start the process of adopting the same EHR system as the Department of Defense (DoD). This transformation is about improving VA services and significantly enhancing the coordination of care for Veterans who receive medical care not only from VA, but also DoD and our community partners. This is a remarkable opportunity for the future with EHRM to build transparency with Veterans and their care providers, expand the use of data, and increase our ability to communicate and collaborate with DoD and community care providers. In addition to improving patient care, a single, seamless EHR system will result in a more efficient use of VA resources, particularly as it relates to health care providers.

This new EHR system will enable seamless care between the departments without the current manual and electronic exchange and reconciliation of data between two separate systems. The Secretary also insists on high levels of interoperability and

data accessibility with our commercial health partners in addition to the interoperability with DoD. Collectively, this will result in better service to our Veterans because transitioning Servicemembers will have their medical records at VA. VA is committed to providing the best possible care to Veterans, while also remaining committed to supporting Veterans' choices to seek care from private providers via our continued investment in the Community Care program.

Medical and Prosthetic Research

As the Nation's only health research program focused exclusively on the needs of Veterans, VA research continues to play a vital role in the care and rehabilitation of our men and women who have served in uniform. Building on more than 90 years of discovery and innovation, VA research has a proud track record of transforming VA health care by bringing new evidence-based treatments and technologies into everyday clinical care. Innovative VA studies in areas such as basic and clinical science, rehabilitation, research methodology, epidemiology, informatics, and implementation science improve health care for both Veterans and the general public.

The FY2019 Budget includes $727 million for development of innovative and cutting-edge medical research for Veterans, their families, and the Nation. One example includes continuing the Million Veteran Program (MVP), a groundbreaking genomic medicine program, in which VA seeks to collect genetic samples and general health information from one million Veterans. The goal of MVP is to discover how genomic variation influences the progression of disease and response to different treatments, thus identifying ways to improve treatments for individual patients. These insights will improve care for Veterans and all Americans.

Chronic pain is prevalent among Veterans, and VA has experienced many of the problems of opiate misuse and addiction that have made this a major clinical and public-health problem in the United States. As VA continues to reduce excessive reliance on opiate medication and respond to the requirements of the Comprehensive Addiction and Recovery Act of 2016 (CARA, Public Law 114–198), VA will expand pain management research in 2019 in two areas. VA is testing and implementing complementary and integrative approaches to treating chronic pain, building on a successful state-of-the-art conference in late 2016 on non-opioid therapies for chronic musculoskeletal pain. In a second, longer-term initiative, VA is working on other drug models and current drugs in the market to test their efficacy for treating pain. A study being developed under the Learning Healthcare Initiative is being launched that will evaluate the impact of implementing a new tool to identify Veterans at high-risk of adverse effects from their opiate medication.

Priority 3: Improve Timeliness

Access to Care and Wait Times

VHA is committed to delivering timely and high-quality health care to our Nation's Veterans. We are also committed to ensuring that any Veteran who requires urgent care will receive timely care. As a part of this, Veterans now have access to same-day services for primary care and mental health care at the more than 1,000 VHA clinics across our system.

In 017, 81.5 percent of nearly 6 million outpatient appointments for new patients were completed within 30 days of the day the Veteran first requested the appointment ("create date"), whereas 97.3 percent of nearly 50.2 million established appointments were completed within 30 days of the date requested by the patient ("patient-indicated date"). HA has reduced the Electronic Wait List from 56,271 entries to 20,829 entries, a 63.0 percent reduction between June 2014 and December 2017. The Electronic Wait List reflects the total number of all patients for whom appointments cannot be scheduled in 90 days or less. During FY2018 and FY2019, VHA will continue to focus its efforts to reduce wait times for new patient appointments, with a particular emphasis on primary care, mental health, and medical and surgical specialties.

In FY2019, VHA will expand Veteran access to medical care by increasing medical and clinical staff, improving its facilities, and expanding care provided in the community. The FY2019 Budget requests a total of $76.5 billion in funding for Veterans' medical care in discretionary budget authority, including collections. The FY 19 request will support nearly 315,688 medical care full-time equivalent employees, an increase of over 5,792 above the 2018 level.

VHA is implementing a VISN-level Gap Coverage plan in primary care that will enable facilities to request gap coverage providers in areas that are struggling with staffing shortages. It is a seamless electronic request that allows VISNs to focus resources where they are most needed according to supply and demand. Telehealth will be the principal form of coverage in this initiative, which is budget neutral.

Priority 4: Suicide Prevention

Suicide prevention is VHA's highest clinical priority, and Veteran suicide is a national health crisis. On average, 20 Veterans die by suicide every day - this is unacceptable. The integration of Mental Health program offices and their alignment with the suicide prevention team and the Veterans Crisis Line is being implemented to further enhance VA's ability to effectively meet the needs of the most vulnerable Veterans. The FY2019 Budget Request increases resources to standardize suicide screening and risk assessments and expand options for safe and effective treatment for Veterans struggling with PTSD and suicide.

The FY2019 Budget requests $8.6 billion for Veterans' mental health services, an increase of 5.8 percent above the 2018 current estimate. It also includes $190 million for suicide prevention outreach. VHA recognizes that Veterans are at an increased risk for suicide, and we have implemented a national suicide prevention strategy to address this crisis. VHA is bringing the best minds in the public and private sectors together to determine the next steps in implementing the Ending Veteran Suicide Initiative. VA's suicide prevention program is based on a public health approach that is ongoing, utilizing universal, selective, indicated strategies while recognizing that suicide prevention requires ready access to high quality mental health services, supplemented by programs that address the risk for suicide directly, starting far earlier in the trajectory that leads to a Veteran taking his or her own life. VHA cannot do this alone; 70 percent of Veterans who die by suicide are not actively engaged in VA health care. Veteran suicide is a national issue and can only be ended through a nationwide community-level approach that begins to solve the upstream risks Veterans face, such as loss of belonging, meaningful employment, and engagement with family, friends, and community.

Executive Order to Improve Mental Health Resources

On January 9, 2018, President Trump signed an Executive Order (13822) titled, "Supporting Our Veterans During Their Transition from Uniformed Service to Civilian Life." This Executive Order directs DoD, VA, and the Department of Homeland Security to develop a Joint Action Plan that describes concrete actions to provide access to mental health treatment and suicide prevention resources for transitioning uniformed Servicemembers in the year following their discharge, separation, or retirement. We encourage all transitioning Servicemembers and Veterans to contact their local VA medical facility or Vet Center to learn about what VHA mental health care services may be available.

REACH VET Initiative

As part of VA's commitment to put forth resources, services, and technology to reduce Veteran suicide, VA initiated the Recovery Engagement and Coordination for Health Veterans Enhanced Treatment (REACH VET) program. This program finished its first year of full implementation in February 2018 and has identified more than 30,000 at-risk Veterans to date. REACH VET uses a new predictive model to analyze existing data from Veterans' health records to identify those who are at a statistically elevated risk for suicide, hospitalization, illnesses, and other adverse outcomes, so that VHA providers can review and enhance care and talk to these Veterans about their needs. REACH VET was expanded to provide risk information about suicide and opioids, as well as clinical decision support to Veterans Crisis Line responders, and is being further expanded to provide this important risk information to frontline VHA providers. REACH VET is limited to Veterans engaged in our health care system and is risk-focused, so while it is critically important to those Veterans it touches, it is not enough to bring down Veteran suicide rates. We will continue to take bold action aimed at ending all Veteran suicide, not just for those engaged with our system.

Other than Honorable Initiative

We know that 14 of the 20 Veterans who, on average, died by suicide each day in 2014 did not, for various reasons, receive care within VA in 2013 or 2014. Our goal is to more effectively promote and provide care and assistance to such individuals to the maximum extent authorized by law. To that end, beginning on July 5, 2017, VA promoted access to care for emergent mental health care to the more than 500,000 former Servicemembers who separated from active duty with other than honorable (OTH) administrative discharges. This initiative specifically focuses on providing access to former Servicemembers with OTH administrative discharges who are in mental health distress and may be at-risk for suicide or other adverse behaviors. As part of this initiative, former Servicemembers with OTH administrative discharges who present to VA seeking emergency mental health care for a con-

dition related to military service would be eligible for evaluation and treatment for their mental health condition. Such individuals may access the VA system for emergency mental health services by visiting a VA emergency room, outpatient clinic, Vet Center, or by calling the Vet Center Call Center (1–877–WAR–VETS) or Veterans Crisis Line. Services may include assessment, medication management/pharmacotherapy, lab work, case management, psycho-education, and psychotherapy. As of December0, 2017, VHA had received 3,241 requests for health care services under this program. In addition, in FY2017, Readjustment Counseling Services through Vet Centers provided services to 1,130 Veterans with OTH administrative discharges and provided 9,889 readjustment counseling visits.

Priority 5: Greater Choice for Veterans

Veterans deserve greater access, choice, and control over their health care. VHA is committed to ensuring Veterans can make decisions that work best for themselves and their families. Our current system of providing care for Veterans outside of VHA requires that Veterans and community providers navigate a complex and confusing bureaucracy. VHA is committed to building an improved, integrated network for Veterans, community providers, and VA employees; we call these reforms Veteran Coordinated Access & Rewarding Experiences, or Veteran CARE.

Veteran CARE would clarify and simplify eligibility requirements, build a high performing network, streamline clinical and administrative processes, and implement new care coordination support for Veterans. Veteran CARE would improve Veterans' experience and access to health care, building on the best features of existing community care programs. This new program would complement and support VA's internal capacity for the direct delivery of care with an emphasis on foundational services. The CARE reforms would provide VA with new tools to compete with the private sector on quality and accessibility.

Demand for community care remains high. The Veterans Choice Program comprised approximately 62 percent of all VA community care completed appointments in FY2017. We thank Congress for the combined $4.2 billion provided in Calendar Year 2017 to continue the Choice Program while discussions continue regarding the future of VA community care. Based on historical trends, current Choice funding may last until the end of May 2018 depending on program utilization. VA has partnered with Veterans, community providers, Veterans Service Organizations, and other stakeholders to understand their needs and incorporate crucial input into the concept for a consolidated VA community care program. Currently, VA is working with Congress to develop a community care program that addresses the challenges we face in achieving our common goal of providing the best health care and benefits we can for our Veterans. The time to act is now, and we need your help.

In FY2019, the Budget reflects $14.2 billion in total obligations to support community care for Veterans. This includes an additional $2.4 billion in discretionary funding that is now available as a result of the recently enacted legislation to raise discretionary spending caps. Of this amount, $1.9 billion replaces the mandatory funding that was originally requested in FY2018 to be carried over into FY2019. This funding will be used to continue the Choice Program for a portion of FY2019 until VA is able to fully implement the Veteran CARE program. The remaining $500 million will support VHA's traditional community care program in FY2019. The Administration would also support using discretionary funding provided in FY2018 in the cap deal to ensure that the Choice Program can continue to operate for the remainder of FY2018.

Finally, the Budget transitions VA to recording community care obligations on the date of payment, rather than the date of authorization. This change in the timing of obligations results in a one-time adjustment of $1.8 billion, which would support a total 2019 program level of $14.2 billion for community care needs.

Closing

VA is committed to providing the highest quality care that our Veterans have earned and deserve. I appreciate the hard work and dedication of VA employees, our partners from Veterans Service Organizations-who are important advocates for Veterans-our community stakeholders, and our dedicated VA volunteers. I respect the important role that Congress has in ensuring that Veterans receive the quality health care and benefits that they rightfully deserve. I look forward to continuing our strong collaboration and partnership with this Subcommittee, our other committees of jurisdiction, and the entire Congress, as we work together to continue to enhance the delivery of health care services to our Nation's Veterans.

Mr. Chairman, Members of the Subcommittee, this concludes my remarks. Thank you again for the opportunity to testify. My colleague and I will be happy to respond to any questions from you or other Members of the Subcommittee.

Statements For The Record

Joint Prepared Statement of

THE CO–AUTHORS OF THE INDEPENDENT BUDGET

DISABLED AMERICAN VETERANS

PARALYZED VETERANS OF AMERICA

VETERANS OF FOREIGN WARS

Chairman Wenstrup, Ranking Member Brownley, and members of the Subcommittee:

On behalf of the co-authors of The Independent Budget (IB)-DAV (Disabled American Veterans), Paralyzed Veterans of America (PVA), and Veterans of Foreign Wars (VFW)-we are pleased to present the views of the IB organizations regarding the funding requirements for the Department of Veterans Affairs (VA) for fiscal year (FY) 2019, including health care advance appropriations for FY2020.

The IB's recommendations include funding for all discretionary programs for FY2019 as well as advance appropriations recommendations for medical care accounts for FY2020. The full budget report recently released by the IB addressing all aspects of discretionary funding for the VA can be downloaded at www.independentbudget.org. However, the current FY2018 funding for VA medical care programs is particularly concerning because previous VA Secretary Robert McDonald admitted last year that the VA's FY2018 advance appropriation request was not sufficient and would need significant additional resources provided this year.

This insufficient level is reflected in the "Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017" as approved and amended by Congress. VA's medical care programs are currently funded at $71.7 billion and in light of the Administration's revised request of $74.7 billion for FY2018, submitted last year, VA has been forced to operate under a $3 billion shortfall for nearly half this fiscal year despite increased demands on the system.

The IB veterans service organizations (IBVSO) believe that the FY2019 VA revised budget request for VA medical programs and construction is similarly insufficient to meet the health care needs of ill and injured veterans, their families and survivors.

The Administration's revised budget request for medical programs includes $74.1 billion in total discretionary spending and $1.9 billion in mandatory spending for FY2019. Considering the additional $1.9 billion that the Administration requests to replenish the Choice Act funds in addition to the $14.2 billion Congress has already appropriated under emergency designation since 2014, the total projected expenditure from VA for medical programs in FY2019 is approximately $76 billion. The IBVSOs recommend $82.6 billion in total medical care funding for the VA. For FY2020, the Administration is requesting $79.1 billion for medical care programs and the IB recommends $84.5 billion.

The IBVSOs share growing concerns about the massive growth in expenditures in community care spending in FY2019, which includes $8.4 billion in community care, $1.9 billion and any remaining Choice Act funds. We understand the need for leveraging community care to expand access to health care for many veterans, as discussed in the IB framework, but we are troubled by the virtually uncontrolled growth in this area of VA health care spending.

Congress and the Administration must be sure to devote critical resources to expand capacity and increase staffing of the VA health care system, particularly for specialized services such as spinal cord injury or disease, blind rehabilitation, polytrauma care, mental health care, and to address the added health care reliance of veterans on the VA attributed by the Department from the Choice Act. The integrated and holistic nature of VA health care cannot simply be punted into the private sector. Simply outsourcing more care to the community without the same accountability of health outcomes, quality of care, and treatment efficacy could yield higher costs to the tax payer and will ultimately undermine the larger health care system on which so many veterans with the most catastrophic disabilities must rely.

The Bipartisan Budget Act of 2018 (BBA) significantly raised the defense and non-defense discretionary spending caps in FY2018 and FY2019, and the President

has signed these new caps into law. In light of the BBA, the Administration modified its FY2019 budget request to account for these new cap levels.

Medical Services

For FY2019, the IB recommends $53.7 billion for Medical Services. This recommendation includes:

Current Services Estimate	$50,794,232,000
Increase in Patient Workload	$1,636,092,000
Additional Medical Care Program Costs	$1,230,951,000

Total FY2019 Medical Community Care $53,661,275,000

The IBVSOs believe that significant attention must be placed on ensuring adequate resources are provided through the Medical Services account to ensure timely delivery of high quality health care. The budget shortfall this fiscal year is emblematic of the insufficient funding that has plagued, and may continue to plague, the VA health care system going forward. In FY2018 (and subsequent fiscal years), the problem will be compounded as the VA will be shedding funds from its traditional Medical Services account to push more care into the community. With these thoughts in mind, for FY2019, the IB recommends $53.7 billion for Medical Services.

Additionally, we believe the Administration's advance appropriation request for Medical Services in FY2020-$48.5 billion-is woefully inadequate to meet even today's demand for VA health care services. The Administration appears to ignore its responsibility to request a budget that meets its requirements particularly for VA medical care. In light of recent history of Congress advance appropriating based on VA's initial advance appropriation request, the request for FY2020 is an unacceptable proposition. For FY2020, the IBVSOs recommend Congress appropriate $54.7 billion as an advance appropriation for Medical Services.

Our recommendations for Medical Services reflect the estimated impact of uncontrollable inflation on the cost to provide services to veterans currently using the system. We also assume a 1.1 percent increase for pay and benefits across the board for all VA employees in FY2019, as well as 1.2 percent in the advance appropriation recommendation for FY2020.

Our medical programs funding recommendation for FY2019 is adjusted in the baseline for funding within the Medical Services account based on VA's revised request for FY2018. The Independent Budget believes this adjustment is necessary in light of the nearly $3 billion shortfall that the VA health care system is currently experiencing. If the baseline from FY2018 is not adjusted to better reflect the true demand for services, we believe VA will once again face a shortfall this fiscal year and the next, while forcing veterans who choose VA for care to unnecessarily wait to receive such care.

Additional Medical Care Program Costs:

The Independent Budget report on funding for FY2017 and FY2018, delivered to Congress on February 9, 2016, also includes a number of key recommendations targeted at specific medical program funding needs for VA. We believe additional funding is needed to address the array of long-term-care issues facing VA, including the shortfall in institutional capacity; critical resources to address the continually increasing demand for life-saving Hepatitis C treatments; to provide additional centralized prosthetics funding (based on actual expenditures and projections from the VA's Prosthetics and Sensory Aids Service); funding to expand and improve services for women veterans; and new funding necessary to improve the growing Comprehensive Family Caregiver program.

Long-Term Services & Supports

The Independent Budget recommends a modest increase of $82 million for FY2019. This recommendation reflects a significant demand for veterans in need of Long-Term Services and Supports (LTSS) in 2017 particularly for home- and community-based care, we estimate an increase in the number of veterans using the more costly long-stay and short-stay nursing home care. This increase in funding also reflects a rebalancing of available resources towards home- and community-based care, which will likely yield a commensurate decrease in institutional spending as is being achieved by state with their balancing of spending initiatives.

Prosthetics and Sensory Aids

In order to meet the increase in demand for prosthetics, the IB recommends an additional $320 million. This increase in prosthetics funding reflects a similar in-

crease in expenditures from FY2017 to FY2018 and the expected continued growth in expenditures for FY2019.

Women Veterans

The Medical Services appropriation should be supplemented with $500 million designated for women's health care programs, in addition to those amounts already included in the FY2018 baseline. These funds would allow the Veterans Health Administration (VHA) to hire and train an additional 1,000 women's health providers to meet increasing demand for health services based on the significant growth in the number of women veterans coming to VA for care.

Additional funds are needed to expand and repair VA facilities to meet environment of care standards and address identified privacy and safety issues for women patients. The new funds would also aid VHA in continuing its initiative for agency-wide cultural transformation to ensure women veterans are recognized for their military service and made to feel welcome at VA. Finally, additional resources are needed to evaluate and improve mental health and readjustment services for catastrophically injured or ill women veterans and wartime service-disabled women veterans, as well as targeted efforts to address higher suicide rates and homelessness among this population.

Reproductive Services (to Include IVF)

Congress authorized appropriations for the remainder of FY2018 and FY2019 to provide reproductive services, to include in vitro fertilization (IVF), to service-connected catastrophically disabled veterans whose injuries preclude their ability to conceive children. The VA projects that this service will impact less than 500 veterans and their spouses in FY2019. The VA also anticipates an expenditure of no more than $20 million during that period. However, these services are not directly funded; therefore, the IB recommends approximately $20 million to cover the cost of reproductive services in FY2019.

Emergency Care

VA has issued regulations to begin paying for veterans who sought emergency care outside of the VA health care system based on the Richard W. Staab v. Robert A. McDonald ruling by the U.S. Court of Appeals for Veterans Claims.

The requested $298 million increase in funding reflects the amounts VA has estimated it will need to dispose of pending and future claims. VA has indicated it will not retroactively pay benefits for such claims that were finally denied before April 8, 2016, the date of the Staab decision, and will only apply the new interpretation to claims pending on or after April 8, 2016.

Extending Eligibility for Comprehensive Caregiver Supports

Included in this year's IB budget recommendation is funding necessary to implement eligibility expansion of VA's comprehensive caregiver support program to severely injured veterans of all eras. Funding level is based on the Congressional Budget Office estimate for preparing the program, including increased staffing and IT needs, and the beginning of the first phase as reflected in our $11 million FY2019 recommendation.

Medical Community Care

For Medical Community Care, the IB recommends $14.8 billion for FY2019 and $15 billion for FY2020.

Current Services Estimate	$14,534,613,000
Increase in Patient Workload	$235,009,000
Total FY2019 Medical Community Care	$14,752,153,000

Our recommended increase includes the growth in current services to include current obligations under the Choice program. The Choice program is a temporary mandatory program funded under emergency designation and is outside the annual budget process that governs discretionary spending. VA received an infusion of $2.1 billion in August 2017 and another $2.1 billion in December 2017 after it notified Congress program resources could be depleted. While increasing access to community care, the Choice program has in turn increased veterans' reliance on medical care.

We also believe funding VA programs for community care with a discretionary and mandatory account creates unnecessary waste and inefficiency. The Independent Budget has advocated for moving all funding authorities for the Choice pro-

gram (and other community care programs) into the discretionary accounts of the VA managed under the Medical and Community Care account.

Medical Support and Compliance

For Medical Support and Compliance, The Independent Budget recommends $6.8 billion in FY2019. Our projected increase reflects growth in current services based on the impact of inflation on the FY2018 appropriated level. Additionally, for FY2020 The Independent Budget recommends $7.4 billion for Medical Support and Compliance. This amount also reflects an increase in current services from the FY2019 advance appropriation level.

Medical Facilities

For Medical Facilities, The Independent Budget recommends $7.3 billion for FY2019, which includes $1.2 billion for Non-Recurring Maintenance (NRM). The NRM program is VA's primary means of addressing its most pressing infrastructure needs as identified by Facility Condition Assessments (FCA). These assessments are performed at each facility every three years, and highlight a building's most pressing and mission critical repair and maintenance needs. VA's request for FY2019 includes $1.4 billion for NRM funding assumes an investment of $1.9 billion in FY2018. While the Department has actually spent on average approximately $1 billion yearly for NRM, we are concerned its FY2019 request includes diverting funds programmed for other purposes-$210.7 million from Medical Support and Compliance and $39.3 million from the Medical Services/Medical Community Care accounts.

For FY2020, the IB recommends approximately $7.5 billion for Medical Facilities. Last year the Administration's recommendation for NRM reflected a projection that would place the long-term viability of the health care system in serious jeopardy. This deficit must be addressed in light of its $627 million request for FY2020.

Medical and Prosthetic Research

The VA Medical and Prosthetic Research program is widely acknowledged as a success on many levels, and contributes directly to improved care for veterans and an elevated standard of care for all Americans. The research program is an important tool in VA's recruitment and retention of health care professionals and clinician-scientists to serve our nation's veterans. By fostering a spirit of research and innovation within the VA medical care system, the VA research program ensures that our veterans are provided state-of-the-art medical care.

For VA research to maintain current service levels, the Medical and Prosthetic Research appropriation should be increased in FY2019 to go beyond simply keeping pace with inflation. It must also make up for how long the continuing resolution funding level for FY2018 has been in effect. Numerous meritorious proposals for new VA research cannot be funded without an infusion of additional funding for this vital program. Research awards decline as a function of budgetary stagnation, so VA may resort to terminating ongoing research projects or not funding new ones, and thereby lose the value of these scientists' work, as well as their clinical presence in VA health care. When denied research funding, many of them simply choose to leave the VA.

Emerging Research Needs

IBVSOs believe Congress should expand research on emerging conditions prevalent among newer veterans, as well as continuing VA's inquiries in chronic conditions of aging veterans from previous wartime periods. For example, additional funding will help VA support areas that remain critically underfunded, including:

- post-deployment mental health concerns such as PTSD, depression, anxiety, and suicide in the veteran pulation;
- gender-specific health care needs of the VA's growing population of women veterans;
- new engineering and technological methods to improve the lives of veterans with prosthetic systems that replace lost limbs or activate paralyzed nerves, muscles, and limbs;
- studies dedicated to understanding chronic multi-symptom illnesses among Gulf War veterans and the long-term health effects of potentially hazardous substances to which they may have been exposed;
- innovative health services strategies, such as telehealth and self-directed care, that lead to accessible, high-quality, cost-effective care for all terans; and

- leverage the only known integrated and comprehensive caregiver support program in the U.S. to help inform policy makers and other health systems looking to support informal caregivers.

Million Veteran Program

The VA Research program is uniquely positioned to advance genomic medicine through the "Million Veteran Program" (MVP), an effort that seeks to collect genetic samples and general health information from one million veterans over the next five years. When completed, the MVP will constitute one of the largest genetic repositories in existence, offering tremendous potential to study the health of veterans. To date, more than 620,000 veterans have enrolled in MVP, far exceeding the enrollment numbers of any single VA study or research program in the past, and it is in fact one of the largest research cohorts of its kind in the world. The VA estimates it currently costs around $75 to sequence each veteran's blood sample.

Accordingly, the IBVSOs recommend $65 million to enable VA to process begin processing the MVP samples collected. Congress must begin a targeted investment to go beyond basic, surface-level genetic information and perform deeper sequencing to begin reaping the benefits of this program.

Construction Programs

Major Construction

Each year VA outlines its current and future major construction needs in its annual Strategic Capital Investment Planning (SCIP) process. In its FY2018 budget submission, VA projected it would take between $55 billion and $67 billion to close all current and projected gaps in access, utilization, and safety including activation costs. Currently, VA has 21 active major construction projects, which have been partially funded or funded through completion.

In its FY2018 Budget Request, VA requested and Congress intends to appropriate a significant reduction in funding for major construction projects-between $410 million and $512 million. While these funds would allow VA to begin construction on key projects, many other previously funded sites still lack the funding for completion. One of these projects was originally funded in FY2007, while others were funded more than five years ago but no funds have been spent on the projects to date. Of the 21 projects on VA's partially funded VHA construction list, eight are seismic in nature. Seismic projects are critical to ensuring VA's facilities do not risk the lives of veterans during an earthquake or other seismic events.

It is time for the projects that have been in limbo for years or that present a safety risk to veterans and employees to be put on a course to completion within the next five years. To accomplish this goal, the IBVSOs recommend that Congress appropriate $1.73 billion for FY2017 to fund either the next phase or fund through completion all existing projects, and begin advance planning and design development on six major construction projects that are the highest ranked on VA's priority list.

The IBVSOs also recommend, as outlined in its Framework for Veterans Health Care Reform, that VA realign its SCIP process to include public-private partnerships and sharing agreements for all major construction projects to ensure future major construction needs are met in the most financially sound manner.

Research Infrastructure

State-of-the-art research requires state-of-the-art technology, equipment, and facilities. For decades, VA construction and maintenance appropriations have not provided the resources VA needed to maintain, upgrade, or replace its aging research laboratories and associated facilities. The average age of VA's research facilities is more than 50 years old, and those conditions are substandard for state of the art research.

The IBVSOs believe that Congress must ensure VA has the resource it needs to continue world class research that improves the lives of veterans and helps recruit high-quality health care professionals to work at VA. To do so, Congress must designate funds to improve specific VA research facilities in FY2019 and in subsequent years. In order to begin to address these known deficits, the IBVSOs recommend Congress approve at least $50 million for up to five major construction projects in VA research facilities.

Minor Construction

In FY2018, VA requested $372 million for minor construction projects. Currently, approximately 900 minor construction projects need funding to close all current and future year gaps within the next 10 years. To complete all of these current and pro-

jected projects, VA will need to invest between $6.7 and $8.2 billion over the next decade.

To ensure that VA funding keeps pace with all current and future minor construction needs, the IBVSOs recommend that Congress appropriate an additional $761 million for minor construction projects. It is important to invest heavily in minor construction because these are the types of projects that can be completed faster than other capital infrastructure projects and have a more immediate impact on services for veterans.

State Veterans Home Construction Grants

Grants for state extended-care facilities, commonly known as state home construction grants, are a critical element of federal support for the state veterans' homes. The state veterans' home program is a very successful federal-state partnership in which VA and states share the cost of constructing and operating nursing homes and domiciliaries for America's veterans.

State homes provide more than 30,000 nursing home and domiciliary beds for veterans, their spouses, and gold-star parents of deceased veterans. Overall, state homes provide more than half of VA's long-term-care workload, but receive less than 22 percent of VA's long-term care budget. VA's basic per diem payment for skilled nursing care in state homes is significantly less than comparable costs for operating VA's own long-term-care facilities. This basic per diem paid to state homes covers approximately 30 percent of the cost of care, with states responsible for the balance, utilizing both state funding and other sources.

State construction grants help build, renovate, repair, and expand both nursing homes and domiciliaries, with states required to provide 35 percent of the cost for these projects in matching funding. VA maintains a prioritized list of construction projects proposed by state homes based on specific criteria, with life and safety threats in the highest priority group. Only those projects that already have state matching funds are included in VA's Priority List Group 1 projects, which are eligible for funding. Those that have not yet received assurances of state matching funding are put on the list among Priority Groups 2 through 7.

With almost $1 billion in state home projects still in the pipeline, The Independent Budget recommends $200 million for the state home construction grant program to address a portion of the projects expected to be on the FY2019 VA Priority Group 1 List when it is released this year.

Grants for State Veterans Cemeteries

The State Cemetery Grant Program allows states to expand veteran burial options by raising half the funds needed to build and begin operation of state veterans cemeteries. NCA provides the remaining funding for construction and operational funds, as well as cemetery design assistance. Funding additional projects in FY2019 in tribal, rural and urban areas will provide burial options for more veterans and complement VA's system of national cemeteries. To fund these projects, Congress must appropriate $51 million.

Office of Information Technology

Electronic Health Records

We are pleased to hear Secretary of Veterans Affairs David Shulkin's decision to have the Department adopt the same electronic health care record (EHR) system as the Department of Defense (DoD), putting an end to the saga of not being able to efficiently integrate military treatment records into a veteran's treatment plan. This plan will greatly improve the delivery of care to ill and injured veterans, and ensure truly integrated care as service members transition from DoD to VA care.

While improvements to information technology (IT) systems are an important part of VA's mission, the cost of doing so cannot come at the expense of health care veterans have earned. We call on Congress to balance the needs of an improved VA with the need to ensure high quality health care is provided to all eligible veterans. In VA's fiscal year (FY) 2019 budget request, VA states it will transfer $782 million from its FY2018 medical care and Office of IT appropriations to its EHR modernization program. We support an integrated VA–DoD EHR, but we do not endorse taking critical funds away from health care to pay for it.

We call on Congress to allocate the nearly $800 million VA needs in FY2018 for EHR modernization from the additional fiscal year 2018 discretionary non-defense appropriations included in the recent bipartisan budget deal. Doing so would ensure VA can begin its work to provide a truly seamless transition for our service members and our veterans.

Administration Legislative Proposals

VA's FY2019 budget request includes legislative proposals that would have budget implications. he Independent Budget supports the proposal to include in VA's medical benefits package the authority to pay for care only in VA-approved Medical Foster Homes and specifically for veterans who for whom VA is currently required to provide more costly nursing home care. VA estimates cost reductions that will increase annually from $12 million up to nearly $90 million over five-years if Congress enacts this proposal.

The Independent Budget opposes the proposal to end the current practice of offsetting a veteran's copayment debt with reimbursements it receives from that veteran's health plan. his will shift over the cost of over $50 million of care annually from the federal government on to the backs of ill and injured veterans.

The IB also opposes the proposal to impose punitive enforcement to make veterans pay over $8 million annually of the care they receive from VA if the veteran fails to provide third-party health plan coverage information and any other information necessary to VA for billing and collecting from the third party payer.

Mr. Chairman, thank you for the opportunity to submit testimony and to present our views regarding FY2019 and FY2020 advance funding requirements for medical care and construction programs to support VA's ability to deliver benefits and services to veterans, their families and survivors. We would be happy to respond to any questions that you or members of the Subcommittee may have regarding this statement or our recommendations.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL–CIO

Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee,

The American Federation of Government Employees (AFGE), appreciates the opportunity to submit a statement for the record for this hearing regarding President Trump's FY2019 budget request for the Department of Veterans Affairs (VA). AFGE represents nearly 700,000 federal employees, including 250,000 employees at the VA, and more specifically, the overwhelming majority of non-management frontline VA employees who provide direct medical and mental health services to our nation's veterans. It is imperative that Congress give VA employees the resources they need to succeed, and that means investing money into the VA and its staff instead of sending precious resources to the private sector.

One issue that needs an immediate remedy is chronic understaffing across the VA system. AFGE has repeatedly raised the issue of the outrageous understaffing at the Department. It seems that VA has a policy of not filling positions that even they acknowledge should be filled. We would like to use this statement to once again point out that there are approximately 35,000 positions that need to be filled. But instead of seeking to hire for these positions, the Department proceeds without any sense of urgency. Pushing veterans to the unaccountable private sector while the Department needs 35,000 additional front line personnel is a national disgrace. If the White House and VA want to fix internal problems at the Department they absolutely must get serious about staffing the agency. Anything short of a firm hiring commitment is yet another Band-Aid on a multi-year problem. As the Independent Budget Veterans Service Organizations state in the Independent Budget, every expansion in the temporary CHOICE Program has increased demand for VA in-house services. Front line clinicians and support staff now have additional demands to manage Choice referrals, assist overwhelmed veterans and ensure continuity of care as veterans are shuttled between the two systems.

On January 17, 2018, Secretary Shulkin testified before the Senate Veterans' Affairs Committee and was asked directly about the Department's hiring plans. When asked about vacancies Secretary Shulkin said, "I just want to understand what they are, 35,000 vacancies, we have 370,000 employees, a 9 percent vacancy rate which is not overly high. So you're always going to have 40,000 vacancies during the course of the year." We respectfully disagree with this sentiment. The VA provides critical care and services to a special population, our nation's heroes, and we should not accept the status quo when it comes to serving their needs. Surely, we can all agree that the brave men and women who have worn the uniform and borne the battle deserve more than simply the bare minimum when it comes to adequate staffing of health care providers. AFGE continues to urge Congress and the Administration to address VA staffing and hire 35,000 additional and necessary front-line personnel.

Sadly, instead of addressing the internal problems with understaffing, leadership at the VA has opted to privatize core functions of the VA. The Department is opting to send care and services to costly, unaccountable private contractors instead of hir-

ing adequate staff to perform these functions at the VA. A central topic last year was the notion of "accountability" yet the VA continues to send veterans outside of the VA to contractors who are held to no accountability standard. While VA employees must meet quality standards and have their performance scrutinized, no such oversight is conducted on private providers who operate in the CHOICE program. As Congress considers the VA budget, it must demand that the Department stop outsourcing vital functions.

AFGE continues to be concerned about the way money allocated to the VA is being spent. Specifically, as part of the larger budget deal in February there was a bipartisan agreement to allocate $4 billion to the VA over the course of two years. The intent was that this money would be used for the VA to address infrastructure needs. However, the White House has insinuated that they would like to see part of this money diverted from the VA and used to patch the CHOICE Program. We urge Congress to oppose any change in the way this funding is used and allocated. Leadership on both sides of the aisle agreed that the entire $4 billion - $2 billion in FY18 and $2 billion in FY19 - would be used for the VA and its internal needs.

The Senate and House VA Committees have spent a considerable amount of time debating and considering CHOICE funding and possible replacements. It is inappropriate to use the appropriations process to circumvent the Committees and send VA-specified money to CHOICE. The Department and the White House must be transparent in their dealings with Congress, VA employees, and veterans. It's disingenuous to accept money for the Department but then attempt to syphon that money off for other purposes. This smoke-and-mirrors approach to funding the VA is inappropriate, bad for veterans, and bad for employees. We urge Congress to adequately oversee how appropriated dollars are spent by the Department.

Finally, AFGE has serious reservations about using medical service dollars as a slush fund to subsidize unaccountable private sector care. Specifically, the President's Budget recommends "combining the Medical Community Care and Medical Services accounts" in order to, supposedly, streamline operations. AFGE unequivocally opposes this recommendation and urges Congress to reject it outright. These are two separate and distinct accounts that should not be forced together for the Administration's convenience. We further oppose any change in funding streams that could divert resources from the VA and send that money to contractors. As can be seen by the 35,000 positions the VA needs to hire, the agency must have funding devoted to its own direct operations; and Congress must hold the Department accountable in the way the VA spends taxpayer money entrusted to it.

Thank you.

American Federation of Government Employees, AFL–CIO