

**STATEMENT OF
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**FOR PRESENTATION BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON HEALTH**

HEALTH PROGRAMS BUDGET REQUEST FOR FISCAL YEAR 2019

March 15, 2018

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 FY 2020 Medical Care Advance Appropriation (AA) request. I am accompanied today by Rachel Mitchell, Deputy Chief Finance Officer, VHA.

The President's FY 2019 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 FY 2018 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 FY 2019 budget request will assist.

Priority 1: Focus Resources

The FY 2019 Budget includes \$76.5 billion for Medical Care, including collections, \$4.2 billion above the FY 2018 Budget and \$79.1 billion for the FY 2020 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 full 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 Military 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 FY 2019 request proposes to merge the Medical Community Care appropriation with the Medical Services appropriation, as was the practice prior to FY 2017. 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 FY 2019, 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 FY 2019 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 2017, 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"). VHA 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 FY 2018 and FY 2019, 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 FY 2019, 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 FY 2019 Budget requests a total of \$76.5 billion in funding for Veterans' medical care in discretionary budget authority, including collections. The FY 2019 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 FY 2019 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 FY 2019 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 condition 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 December 30, 2017, VHA had received 3,241 requests for health care services under this program. In addition, in FY 2017, 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 FY 2017. 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 FY 2019, 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 FY 2018 to be carried over into FY 2019. This funding will be used to continue the Choice Program for a portion of FY 2019 until VA is able to fully implement the Veteran CARE program. The remaining \$500 million will support VHA's traditional community care program in FY 2019. The Administration would also support using discretionary funding provided in FY 2018 in the cap deal to ensure that the Choice Program can continue to operate for the remainder of FY 2018.

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.