STATEMENT OF
JESSICA BONJORNI
ACTING ASSISTANT DEPUTY UNDER SECRETARY FOR HEALTH FOR WORKFORCE SERVICES
VETERANS HEALTH ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
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SUBCOMMITTEE ON HEALTH

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Good morning Chairman Dunn, Ranking Member Brownley, and Members of the Subcommittee. I appreciate the opportunity to discuss the Department of Veterans Affairs' (VA) views on pending legislation, including H.R. 2787, H.R. 3696, H.R. 5521, H.R. 5693, H.R. 5864, and two draft bills related to the Veterans Serving Veterans Act and the improvement of VHA productivity and efficiency. Due to the delay in notification regarding the draft "VA COST SAVINGS Enhancements Act", we are unable to provide views on that bill at this time, but will follow up with the Committee as soon as possible. I am accompanied today by Ms. Dayna Cooper, Director, Home and Community-Based Programs, Veterans Health Administration.

H.R. 2787: Vet MD Act

The VA supports the intent of this bill to develop a nation-wide pre-health shadowing program within VA for undergraduate students who want to have a healthcare career. This bill, H.R. 2787, is an almost exact duplicate of H.R. 6187 from 2016. At that time, VA worked on extensive technical assists to improve the bill, improving the likelihood it could be implemented easily and at the lowest cost within VA. Unfortunately, the new bill contains nearly all the same technical limitations of H.R. 6187 and does not reflect prior feedback.

The bill focuses on pre-medical students to the exclusion of all other health occupations. VA has previously advised that the bill should apply to all pre-health students and include both undergraduate students and post-baccalaureate students, since all such students already display a high level of interest in pursuing a health career.

The bill describes a three-year pilot program that would start no later than August 15, 2020. Unfortunately, this program would require VA to promulgate regulations and depending on the bill passage, that start date would be very challenging to meet. The bill also requires surveys of all participants both pre- and post- observation, curriculum development at all sites to ensure a standardized experience, and 18,000 observation hours within VA clinical sites (5 centers x 20 students/center x 60 hours of observation, repeated three times a year).

One of the largest technical hurdles to the bill is the requirement to have an applicant online portal developed to take student applications. The USAJOBS/USA Staffing system could be used for this initiative, but it would require customization of the applicant system for these student observers. On the other hand, to alleviate the time-intensive and therefore costly applicant selection process, VA has previously recommended using the Deans' offices of VA-affiliated educational institutions to provide applicant reference letters and to screen applicants rather than hosting an applicant portal by whichever Information Technology (IT) mechanism is least costly.

The bill essentially requires VA to act as an educational institution by creating "standardized application, assessment, selection and processing requirements." VA does not believe that it should independently develop a student applicant rating and ranking system, but rather should rely on pre-health advisors at affiliated institutions to refer best qualified candidates.

The Congressional notification requirements include notifying Congress of sites chosen in a timely manner. The reporting burden is significant, and includes, not later than 60 days before completion of the three-year pilot, reporting on the number and demographics of all applicants, selectees, and all that completed the program, and before and after participant survey results.

For the bill as written, the expected timeline would be as follows:

- Fiscal Year (FY) 2019 – Bill passes; staff recruitment process begins. IT dollars for customization of applicant portal in USA Jobs/USA Staffing awarded;
- FY 2020 – Staff hired mid-way through year (1/2 salary support). Regulation development begins. Customization of USA Jobs/USA Staffing begun;
- FY 2021 – Regulations completed. Applicant portal completed. RFP process begins and ends for medical center sites. Sites recruit for and hire GS-12 Site Coordinators;
- FY 2022 – Pilot begins;
- FY 2023 – Second year of pilot starts;
- FY 2024 – Third year of pilot starts;
- FY 2025 – Pilot ends; Evaluation and analysis begin;
- FY 2026 – VA staff complete work including Congressional report and are re-assigned if initiative is not authorized to continue.

VA would require major staff support to implement this bill as written. We assume one Nurse IV Program Manager, one General Schedule (GS)-14 Management Analyst, one GS-13 Education Program Specialist, and one GS-11 Staff Assistant to manage this program. We also assume a GS-12 site coordinator at each of the five medical centers starting in 2021 after the sites are chosen. We assume that in FY 2020 we incur half the cost of VA Full-time Equivalent (FTE) due to recruitment delays. In addition, we would require IT dollars to modify the USAJOBS / USA Staffing system for customization for this initiative over a two-year period.

We estimate the total cost of this bill as follows: $436,453 One Year Total; $7,068,192 Five Year Total; and $9,363,343 Ten Year Total.

H.R. 3696: Wounded Warrior Workforce Enhancement Act

Two sections of this bill call for establishing new or expanding existing prosthetic/orthotic graduate programs (total limit of $15 million and site limit of $1.5

million), and the establishment of one prosthetic/orthotic research Center of Excellence (CoE) ($5 million).

Section 2 of the bill requires the expansion of prosthetic/orthotic graduate programs.

VA does not support this bill because VA already provides rehabilitation services to Veterans with a mix of providers, including physical medicine and rehabilitation physicians, physical therapists, occupational therapists, prosthetists and orthotists, all of whom work with the Veteran to enable the best possible rehabilitation given the individual's needs. VA offers in-house orthotic and prosthetic services at 84 laboratories across VA; in addition, VA contracts with more than 600 vendors for specialized orthotic and prosthetic services. Through both in-house staffing and contractual arrangements, VA is able to provide state-of-the-art commercially available items ranging from advanced myoelectric prosthetic arms to specific custom fitted orthoses.

Nationally, VA has approximately 340 clinical orthotic and prosthetic staff. VA offers one of the largest orthotic and prosthetic residency programs in the nation. In FY 2017, VA's Office of Academic Affiliations allocated $894,838 to support 20 Orthotics/Prosthetics residents at 13 Veterans Affairs Medical Centers. The training consists of a yearlong post-master's residency, with an average stipend of $44,000 per trainee. In recent years, VA has expanded the number of training sites and the number of trainees. From this pool of advanced trainees, we are able to employ orthotists and prosthetists without the burden of supporting trainees though their full graduate training.

Much of the specialized orthotic and prosthetic capacity of VA is met through contract mechanisms. Direct grants to schools to start or expand masters or doctoral training programs would serve the private sector rather than VA or Veterans. VA does not currently serve as a granting authority for educational programs, and therefore VA does not presently have regulations which would oversee these activities. Rather, VA provides focused clinical practica at or near the end of formal training. This bill would establish a precedent for other educational institutions to receive grant funds to establish or enhance their own educational programs with no clear-cut benefit or linkage

to VA's needs. In the future, Congress and VA might be pressured to provide grants to educational institutions for an additional 40 health professions.

Section 3 of the bill would require VA to award a grant to an eligible institution to enable that institution to establish a CoE in Orthotic and Prosthetic Education and enable that institution to improve orthotic and prosthetic outcomes for Veterans, Service members, and civilians by conducting evidence-based research. VA would be required to give priority in the award of a grant to an eligible institution that has in force, or demonstrates the willingness and ability to enter into, a Memorandum of Understanding (MOU) with VA, the Department of Defense (DoD), or another appropriate Federal agency, or a cooperative agreement with an appropriate private sector entity that provides for the provision of resources to the Center and assistance to the Center in conducting research and disseminating the results of such research. The grant awarded under this section could not exceed $5 million. Within 90 days of the date of the enactment of this Act, VA would have to issue a request for proposals from eligible institutions for the grant available under this section. The grantee would be required to use the grant to develop an agenda for orthotics and prosthetics education research, fund research in orthotics and prosthetics education, and publish or otherwise disseminate research findings relating to orthotics and prosthetics education. The grantee could use the funds of the grant for a period of 5 years from the date of the award of the grant. To be eligible for the grant, an institution would have to: have a robust research program; offer an orthotics and prosthetics education program accredited by the National Commission on Orthotic and Prosthetic Education in cooperation with the Commission on Accreditation of Allied Health Education Programs; be well recognized in the field of orthotics and prosthetics education; and have an established association with a VA medical center or clinic and a local rehabilitation hospital. There would be authorized to be appropriated for fiscal year 2018 $5 million to carry out this section.

VA does not support section 3 because we do not believe that a new Center is necessary. DoD has an Extremity Trauma and Amputation Center of Excellence, and VA and DoD work closely to provide care and conduct scientific research to minimize

the effect of traumatic injuries and improve outcomes of wounded Veterans suffering from traumatic injury. VA is already a world leader in prosthetics/orthotics research. VA has five Rehabilitation Research and Development Centers that conduct research related to prosthetic and orthotic interventions, amputation, and restoration of function following trauma:

1. Center for Limb Loss Prevention and Prosthetic Engineering in Seattle, WA.
2. Center for Wheelchairs and Associated Rehabilitation Engineering in Pittsburgh, PA.
3. Center for Functional Electrical Stimulation in Cleveland, OH.
4. Center for Advanced Platform Technology in Cleveland, OH.
5. Center for Neurorestoration and Neurotechnology in Providence, RI.

These Centers provide a rich scientific environment in which clinicians work closely with researchers to improve and enhance care. They are not positioned to confer terminal degrees for prosthetic and orthotic care/research, but they are engaged in training and mentoring clinicians and engineers to develop lines of inquiry that will have a positive impact on amputee care. Moreover, VA would not have oversight of the Center.

VA is already investing a great deal into advancing prosthetic technology, and these Centers incorporate our interns and residents as well as graduate students from affiliated academic institutions. Each Center is funded with a base budget of nearly $1 million, but they are further required to seek VA or agency research funding. With these Centers and staffing in place, VA is additionally bringing in grants of approximately $10 million per year. As VA has already established internal research resources in this domain, the value to VA and Veterans for establishing a sixth non-VA research center does not seem warranted.

Finally, we believe the requirement to issue a request for proposals (RFP) within 90 days of enactment would be very difficult to meet as VA would first need to promulgate regulations prior to being able to issue the RFP.

We note that the language in section 3(a)(2), regarding how VA would give priority in the award of a grant, refers to at least some types of arrangements that could

not exist. For example, VA does not have legal authority to enter into an MOU for the provision of resources, whether in cash or in-kind, to an institution; similarly, we are unsure as to whether the bill means to refer to a "cooperative agreement", as that term is used in Federal procurement, but we would appreciate the opportunity to discuss this further with the Committee. We would be happy to work with the Committee to revise this language to reflect the intended effect.

When considering implementation, VA provides the following training proposal assumptions:

- Enabling regulations would be developed and published within the first two FYs;
- Legal clarification between "grants" and the prescribed "RFP" methodology is achieved;
- Sufficient interest from accredited schools of Orthotics/Prosthetics;
- Sufficient VA staff hired to plan, execute and monitor the program;
- Contracting to support program and evaluation services to assess quality of the two components of this initiative;
- The proposal mentions an implementation in the current FY. We assume this is referring to the year this bill is passed, 2019 or later; and
- While the bill does not state the desired number of programs, with a site limit of $1.5 million and an overall cap of $15 million, this would cap the program at eight facilities, with additional funding being used for program administration.

Regarding the research proposal, VA provides the following assumptions:

- VA would develop and publish enabling regulations in the first two years FY 2019-2020;
- Staff would begin reaching out to potential academic partners;
- A quality assessment plan for both programs would be established and periodic site visitation would be conducted;

- During FY 2020, the RFPs for academic programs (up to 8 sites) would be developed, released, and an expert peer-review panel would make funding recommendations. Awards would be distributed in FY 2021;
- Enabling regulations would be developed and published within the first two fiscal years; and
- In 2020, the RFP for the Research CoE (one site) would be developed, released, and an expert peer-review panel would make the funding recommendation, with funds to be distributed in 2021.

We estimate the total cost of this bill as follows: $183,811 One Year Total and $20,604,079 Five/Ten Year Total.

H.R. 5521: VA Hiring Enhancement Act

Section 2 of this bill would amend title 38, United States Code, to restrict the applicability of non-VA covenants not to compete to the appointment of certain VHA personnel, specifically those appointed under 38 U.S.C. Section 7401. Section 2 would further require an individual appointed to such a position to agree to provide clinical services at VA for a duration beginning from the date of their appointment and ending on the latter of either one year after the date of appointment, or the termination date of any covenant not to compete that was entered into between the individual and the non-VA facility. The Secretary would have the authority to waive this particular requirement.

VA has concerns with section 2 of this proposed bill and requests the opportunity to discuss the bill further with the committee.

Section 3 of the bill would permit VHA to make a contingent appointment as a VHA physician on the basis of the physician completing their residency training.

VA also has concerns with this section and requests an opportunity to further discuss. With regard to section 3, VA recommends removing the language regarding the completion of a residency leading to board eligibility, subsection (b)(1)(B)(i), since the requirement for residency training is provided in the published Department of Veterans Affairs (VA) physician qualification standard (VA Handbook 5005, Part II, Appendix G2). Physicians must have completed residency training or its equivalent,

approved by the Secretary of VA in an accredited core specialty training program leading to eligibility for board certification. Approved residencies are:

- Those approved by the accrediting bodies for graduate medical education, the Accreditation Council for Graduate Medical Education (ACGME) or American Osteopathic Association (AOA), in the list published for the year the residency was completed, or
- Other residencies or their equivalents which the local Professional Standards Board determines to have provided an applicant with appropriate professional training. The qualification standard also allows for facilities to require VA physicians involved in academic training programs to be board certified for faculty status.

VA also recommends removing the language regarding an offer for an appointment on a contingent basis, subsection (b)(1)(B)(ii), since VA may currently provide job offers to physicians pending completion of residency training. There are no restrictions in statute or VA policy on making job offers contingent upon completing residency training and meeting other requirements for appointments as physicians within VHA. If this needs to be clarified in statute, VA suggests including the information in a new subsection (h) as follows: Section 7402 of title 38, United States Code, is amended by adding at the end the following subsection (h): "(h) The Secretary may provide job offers to physicians pending completion of residency training programs and completing the requirements for appointments under subsection (b) by not later than two years after the date of the job offer."

At this time, VA does not have a cost estimate for this bill.

H.R. 5693: Long-Term Care Veterans Choice Act

H.R. 5693, the Long-Term Care Veterans Choice Act, would amend section 1720 of title 38 U.S.C. to add a new subsection (h) providing authority for the Secretary to pay for long-term care for certain Veterans in medical foster homes (MFH) that meet Department standards. Specifically, the draft bill would allow Veterans, for whom VA is required by law to offer to purchase or provide nursing home care, to be offered

placement in homes designed to provide non-institutional long-term supportive care for Veterans who are unable to live independently and prefer to live in a family setting. VA would pay MFH expenses by a contract or agreement with the home. VA would be limited to furnishing care and services to no more than 900 veterans placed in a medical foster home before or after the date of the enactment of this subsection. One condition of providing support for care in a MFH would be the Veteran's agreement to accept home health care services furnished by VA.

VA endorses the concept of using MFHs for Veterans who meet the appropriateness criteria to receive such care in a more personal home setting. VA endorsed this idea in its Fiscal Year (FY) 2018 and 2019 budget submissions and appreciates the Committee's consideration of this concept. Our experience has shown that VA-approved MFHs can offer safe, highly Veteran-centric care that is preferred by many Veterans at a lower cost than traditional nursing home care. VA currently manages the MFH program at over two-thirds of our medical centers; partnering with homes in the community to provide care to nearly 1,000 Veterans every day. Our experience also shows that MFHs can be used to increase access and promote Veteran choice-of-care options.

While VA fully supports the MFH concept, we would look forward to working with you to resolve a few technical issues in this bill. For example, the limitation in proposed subsection (h)(2), regarding a limit of 900 Veterans receiving care, is ambiguous; it is unclear whether this is intended to be an average daily census limitation, or if this is intended to be a hard cap on the total number of Veterans who could receive care under this program during the entire 3-year period. Moreover, while VA currently provides care through MFHs to approximately 1,000 Veterans, most of these are not Veterans who would qualify for care under section 1710A of title 38. Another change we recommend is to revise the language in subsection (h)(1) to refer to "contracts, agreements, or other arrangements." VA would like to work with the Committee to ensure VA can effectively incorporate MFHs into the continuum of authorized long-term services and support available to Veterans. We are happy to provide the Committee with technical assistance on this matter and are available for further discussion.

VHA estimates that, if enacted, this bill would cost $37.2 million in FY 2019, $50.64 million in FY 2020, and a total of $150.2 million over three years. Additionally, this bill could potentially divert approximately $24.47 million in FY 2019, $33.34 million in FY 2020, and a total of $98.90 million over 3 years from VA nursing home care costs, depending on whether those beds are backfilled.

H.R. 5864: VA Hospitals Establishing Leadership Performance Act ("VA HELP Act")

This bill proposes to standardize qualification requirements and performance metrics for human resources positions.

VA does not support the intent of this bill, but does support efforts to modernize and professionalize the HR function throughout the Government, including addressing the special needs of agencies that employ physicians and other clinical professionals. The Human Resources Management - GS-0200 series is under Title 5 and as such, is covered by the Office of Personnel Management's (OPM) General Schedule Qualification standards. These standards are broadly written for Government-wide application and are not intended to provide detailed information about specific qualification requirements for individual positions at a particular agency. The HR occupation remains on the Government Accountability Office's high risk list and have been identified as a skills gap. To address this issue, OPM currently is developing competencies for each HR specialty, and these competencies will be linked with training. In addition, as part of the President's Management Agenda, OPM will review and develop competency-based standards for the HR occupation, and these standards also will be used Government-wide. VA would support OPM addressing the issue across the federal government by creating higher standards for the HR Specialists, as government-wide surveys have found federal managers express the lowest satisfaction with the quality of their HR services, more than any other mission-support function.

It is important to note that all Federal agencies use OPM-approved qualification standards, and creating VA specific standards would negatively impact VA's ability to retain current staff, as well as to recruit human resources (HR) professionals from other

Federal agencies. OPM states that such information (i.e., a description of any specialized experience requirements that an agency may deem necessary for a particular position) should be included in the vacancy announcements issued by the agency. As such, rather than standardized qualification requirements across VA, individual vacancy announcements are customized to reflect the specialized experience (qualification requirements) for the particular position itself. VA already utilizes this method of applying specialized qualification requirements in all HR job announcements. Additionally, performance standards are developed on an annual basis for each HR position in the Department. These performance standards are aligned with the specific functions and specialized area of HR being performed by each HR professional.

While VA does not support the bill as written, if a decision is made to proceed with the bill, VA requests the opportunity to meet with the Committee to propose revisions to the language to address our concerns. A few examples include:

- Clearly define references to "each human resources position" to identify occupation specific series.
    - The GS-200 Human Resources Management series currently has numerous individual occupational series and title codes, of which many have varying specialized experience requirements;
- Revise references to VHA throughout the bill to reflect VA is not limiting applicability to VHA.

Should this bill be revised as suggested, we would convene a workgroup led by the Office of Human Resources and Administration and would include subject matter experts (SMEs) from the three VA administrations. This workgroup would meet regularly and would be similar to the SME workgroups currently working on the development of new Hybrid Title 38 qualification standards. The review and proposed revisions would potentially take less than one year to complete. No new FTE would be required. The VA anticipates minimal cost to the Department if this bill is passed with suggested revisions.

H.R. 5938: Veterans Serving Veterans Act of 2018

Efforts are already underway to target transitioning military members for mission critical and difficult to fill positions by utilizing data contained in the Veterans Affairs/Department of Defense Identity Repository (VADIR) database. Directly targeting transitioning service members for mission critical and hard to fill VA positions should result in more transitioning military members choosing to work for VA and serve as a pipeline to fill critical vacancies. That said, because of the level of coordination required with DoD, VA requests that the bill be amended to require an implementation plan within 180 days, instead of requiring the establishment of a database within that timeframe. Additionally, the Administration requests that the Act be extended Government-wide. Leveraging this effort would both support efforts to hire more veterans into Government, and assist agencies that face similar hiring barriers.

An Intermediate Care Technician (ICT) training program has already been implemented at 23 VA Medical Centers (VAMC) with ICTs on staff. We are currently pursuing the establishment of an ICT Program at additional VAMC locations which will meet the requirements outlined in the bill. The ICT program has been considering the creation of “centers” at medical facilities to train and certify Veterans to work as ICTs. The ICT program is currently evaluating whether to designate one (or two) VAMCs as VA National ICT Training sites. These sites would be utilized as the entry point for all VA-hired ICTs. After completing a prescribed training curriculum, the ICTs would then proceed to the VAMC that hired them. The ICT program is considering the elements listed in the proposed bill when evaluating a possible National ICT Training site, including the experience and success of VAMCs in training ICTs and resource support for the ICTs or the ICT program at individual VAMCs.

The estimated costs do not include the cost of hiring and training an ICT, since that will depend on geographic location and the number of ICTs hired by each VAMC. With that in mind, we estimate the total cost of this bill as follows: $220 thousand in FY 2020 Total; $598 thousand over five years; and $1.2 million over 10 years.

Draft Bill to Improve the Productivity of VA Health Care

This bill calls for VA to track relative value unit production standards; requires all Department providers to attend training on clinical procedure coding; mandates establishment of standardized performance standards based on nationally recognized relative value unit production standards; and requires submission of a report on the implementation of the bill's requirements.

VA does not support this bill as written, and would like to discuss the bill with the Committee to further refine the language. In support of VA's position, it should be noted that VA already tracks relative value units for Department Providers (Licensed Independent Providers (LIP) as defined by the bill). A six-module online training program in Clinical Procedure Coding is in development with a target release date of late FY 2018. VA is concerned about the implementation of this component in that the time required to train providers in coding will significantly reduce their availability to provide timely health care to Veterans.

Additionally, requiring LIPs to learn and become proficient in skills not essential to direct patient care will have a detrimental impact on the timely delivery of health care. VA is also concerned about whether mandatory training of providers is the most effective and efficient means to create system improvements. Also, VA has performance standards in place, broken out by provider type and location. Specialty specific productivity targets are established and are reviewed annually at a minimum. Remediation plans are developed for provider practices that do not meet minimum thresholds. Lastly, VA currently has the tools in place to create the required report.

Pending VA meeting with the Committee to further discuss the coding training requirement for LIPs, VA is not able to accurately develop costs. Primary topics impacting the cost estimate include:

- Determining the number of LIPs who would be impacted.
- The time LIPs would be taken away from direct patient care, and
- Determining the number of Contract LIPs who would be needed to fill the gap created when providers are required to use duty hours to attend extensive training.

Mr. Chairman, this concludes my testimony. My colleagues and I are prepared to answer any questions the Subcommittee may have.