

**TESTIMONY OF SUSAN MORRIS
BEFORE THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON
VETERANS AFFAIRS, SUBCOMMITTEE ON HEALTH
HEARING ON H.R. 217, CHIP-IN FOR VETERANS ACT
MARCH 11, 2025**

Good afternoon, Chairwoman Miller-Meeks, Ranking Member Brownley, Members of the Health Subcommittee.

My name is Sue Morris. I am the President of Veterans Trust, formerly known as Veterans Ambulatory Center Development Corporation, the nonprofit philanthropic entity that partnered with the Department of Veterans Affairs under the CHIP-IN Act to construct VA's ambulatory care center in Omaha, Nebraska, serving Western Iowa and Nebraska. I want to note first that our non-profit entity is led by Veterans. Our Chairman, John Henderson, is a retired Army Colonel and our Secretary, Mike Pallesen who is with me today, is a retired Navy Commander.

Our nationally award-winning Ambulatory Care Center project was completed and donated to Veterans Affairs in July 2020 as the first public-private partnership to be completed under the CHIP-In Act. The project received several national awards for health care design and construction.

I am here today to speak in favor of taking the pilot program authorized under the CHIP-In Act and making it permanent, as H.R. 217 would do. Our project showed how VA, in partnership with the private sector, can deliver a truly superb facility, in a cost-effective and efficient manner.

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What allowed the Omaha project to be successful? First, the project was “owned” by Veterans Trust during the development and construction phases and donated to Veterans Affairs upon completion. While there was very close coordination and cooperation between Veterans Trust and VA officials at both the national and local levels, it was not a “government construction project”. This structure allowed Veterans Trust, whose leadership had a history of facilitating \$1 billion on local projects, to use local vendors and suppliers in its procurement of services and materials, leveraging demonstrated relationships for best pricing. We were able to tell our partners in design and construction that they will make money on the project, but not a lot of money, as this is a community project for the Veterans.

Second, was a strong commitment from Veterans Affairs senior leadership. We met regularly at VA’s headquarters, including three meetings directly with the Secretary, to ensure project milestones were achieved. There was zero scope creep which helped the project to be delivered on-time and on-budget. One key factor in this regard was Veterans Affairs’ willingness to review VA’s normally applicable construction and physical security standards. We were able to come to agreement on which of those standards made sense, resulting in value engineered savings of over \$23 million.

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In the end, we delivered a facility for a total of \$86 million when it was originally budgeted at \$135 million, saving the taxpayers \$50 million. The private philanthropic contribution to the project was \$30 million.

Based upon our experience and success with this effort, we recommend that H.R. 217 go further than simply making CHIP-In permanent but to also consider other changes that will allow the public-private partnership structure to provide even greater opportunities to deliver best in class facilities to our Veterans while doing so in a way that saves taxpayer dollars. In particular, we suggest the following:

- Add the option to construct facilities on land leased to VA, not just owned or donated real property.
- Add the ability to use the program for minor construction, not just major projects.
- Make clear that the Act applies to more than just healthcare but also to construction projects providing other types of facilities to Veterans such as housing and community centers.

In addition to amending the Act itself, we suggest that the Subcommittee and staff engage a small group of VA leadership and private sector representatives to recommend forward-looking best practices and new models for public-

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private partnerships. My team and Board would be pleased to be included in this effort.

In summary, we wholeheartedly support the effort to make CHIP-In a permanent tool to deliver state-of-the-art facilities. The Act allows Veterans Affairs the ability to leverage the advantages of private sector construction processes to deliver significant cost-savings.

Thank you again for the opportunity to express our support for H.R. 217 and further expansion of the CHIP-In Act. We are tremendously proud of our role in helping lead in this nationally groundbreaking effort to deliver a world-class facility to our Veterans and cost-savings to taxpayers.

I want to add one final point. As Dr. Gold mentioned, there is no doubt that a new in-patient facility to replace Omaha's ageing VA hospital is sorely needed. Veterans Trust stands ready to partner with Veterans Affairs and the University of Nebraska Medical Center to assist in designing and constructing a new state-of-the-art facility that will better serve the Veteran community in Nebraska and Western Iowa while taking advantage of the public-private partnership model offered by the CHIP-In Act.

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I am happy to answer any questions that you might have.

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