

August 14, 2014

Senator John Thune  
Submission for the Record  
House Veterans Affairs Committee Field Hearing  
Hot Springs, SD

Chairman Miller, thank you for the opportunity to submit a statement for the record at today's hearing, which holds great importance to rural veterans in western South Dakota and neighboring Nebraska and Wyoming. As I am sure you have seen in your short time here today and will later hear in testimony, Hot Springs truly is "The Veterans Town." The history of caring for America's veterans is woven into the town's identity, and the mission to serve those who have risked their lives to defend our freedoms is reflected daily in the work done at the Hot Springs VA and the South Dakota Veterans Home. I hope that today's hearing will shed light on a great threat to this service, the VA's ill-conceived proposal to reconfigure the Black Hills Health Care System (BHHCS), as well as the steps the VA has already taken to diminish the role of the Hot Springs Campus. The urgency of this matter is underscored by the recent VA scandals that have come to light and the resulting internal audits that have raised concern over management practices within the BHHCS.

The VA released first made public its plan to reconfigure the BHHCS on December 12, 2011, after months of refusing to acknowledge rumors that a plan to restructure the BHHCS was in development. At the time, the VA was unable to produce a cost-benefit analysis to justify the reconfiguration, leaving doubt as to how the VA decided on its plan and raising suspicions that the change was directed by a political agenda. It was not until June 12, 2012, a full six months later, that the VA released its cost-benefit analysis to the community of stakeholders. Many elements of this justification remain contentious.

Originally, the VA said it would work in a collaborative manner with stakeholders to best serve our veterans. However, BHHCS leadership said at a September 10, 2012, meeting that it was unable to negotiate on the VA's original proposal. This marked a major break in trust between the VA and the veterans it is tasked to serve, a divide that has only been furthered by the VA's persistence in seeing its plan through despite discrepancies in veteran population projections, cost estimates, and management decisions that have slowly chipped away at the VA's presence in Hot Springs.

A January 28, 2013, meeting with former Secretary Shinseki ended with a review of a population map that showed the location of all of the enrolled veterans within the BHHCS service area. Oglala Sioux Tribe President Bryan Brewer estimated that 3,000 tribal veterans on the Pine Ridge Indian Reservation were not enrolled at that time. Former Secretary Shinseki was skeptical of this estimate, but it is the VA's responsibility to ensure that it does not leave veterans behind. Save the VA claims to have worked with tribal leadership to confirm the existence of many of these veterans, and the VA must develop a procedure to incorporate these figures into its veteran population projection models.

Among the most glaring figures of the VA's data is the estimated price for a new Residential Rehabilitation Treatment Program in Hot Springs that includes \$1.5 million for land acquisition. The Hot Springs campus occupies a spacious site, as does the nearby South Dakota State Veterans Home. The VA should reconfigure its cost projections to reflect that new land would not need to be acquired if the VA were to rebuild or expand its facilities in Hot Springs.

Other data points show that Hot Springs has been mismanaged into a state of decline by BHHCS leadership, seemingly in an attempt to justify the proposed closure of the Hot Springs campus. The VA's cost-benefit analysis cites low facility grades which were earned because simple repairs, such as replacing building signage, were not completed. Some repairs, such as painting, could have easily been completed had the VA retained a full operations staff. Other figures provide inflated cost estimates for unnecessary renovations of buildings that are no longer used for their original purposes and have little involvement in patient care. For example, the VA projects \$1.9 million in repairs for a maintenance building that is now used for little more than a storage garage. In addition, \$112,112 was estimated for a laundry building even though laundry operations have moved to Fort Meade.

It can be easy to focus on dollar figures, but what cannot be as easily measured is the impact management practices have had to veteran care. Save the VA representatives have shared reports from former VA employees that the VA has turned away patients for the Residential Rehabilitation Treatment Program on the grounds that it lacked space. However, we have also been told that much of what was once patient space has been converted to administrative space. Hot Springs proudly boasts an impressive 87 percent non-recidivism rate. We should be getting more veterans into this successful treatment program, not limiting its capacity.

The VA has argued that the evolution of the health care industry has changed the demand for services, thus supporting the reduction in services. For example, many surgeries that once required overnight stays are now completed as outpatient procedures. I agree that the health care industry has experienced many changes, especially in the sphere of rural telehealth. But this alone cannot account for Hot Springs reducing its six Intensive Care Units to critical access beds and being downgraded from a Secondary Care Facility to a Primary Care Facility. The VA's

proposal hinges on a partnership with Fall River Hospital and tribal veterans seeking care provided by Indian Health Services (IHS), but an agreement has not been made with the hospital and it there is a known reluctance for tribal veterans to use IHS facilities. Moreover, there have been long-standing compensation issues between the VA and IHS.

The VA claims a low veteran census has driven these changes, but the evidence suggests that decreased staffing levels and the elimination of numerous specialties have limited the ability to care for veterans in Hot Springs—that the VA leadership has created this situation to support closing the Hot Springs campus. Many former VA employees have come forward to express their concerns that BHHCS Director Steve DiStasio, former BHHCS Director Peter Henry before him, and former VA Under Secretary for Health Dr. Robert Petzel, starting when he was Director of VISN 23, have made conscious staffing decisions to slowly reduce services. Examples include failing to fill vacancies, which led to the closing of key departments; posting openings as temporary positions only; implementing limited staffing plans, and passing over candidates in favor of those less-likely to stay at Hot Springs, such as those who had longer commutes. I believe such practices constitute an intentional and systematic dismantling of Hot Springs.

I am hopeful that today's hearing will help bring to light the decline of the Hot Springs campus and continue the dialogue of a better way forward. Among several innovative alternative proposals to the VA's plan, Save the VA proposed creating a national PTSD treatment center and an integrated Compensated Work Therapy program that would preserve the historic integrity of the campus and operate in conjunction with the local, privately-funded Veterans Enterprises. Originally, the VA assured that public feedback would be seriously considered and incorporated into any final proposal as appropriate, but then it reversed course. Save the VA crafted its ideas with the best interests of veterans in mind, and I believe they deserve proper consideration by the VA.

In January of 2014, former Secretary Shinseki decided to push forward with the VA's proposal, despite the VA's failure to address the numerous discrepancies in its plan or detail how reconfiguring the BHHCS would not have a detrimental impact on the veterans within its catchment area. The Environmental Impact Statement for the reconfiguration began on May 16, 2014, and a South Dakota delegation request to extend the comment period to August 16, 2014, (60 days) was honored. The VA has since held several scoping meetings in the Black Hills, but opposition to the plan remains strong among veterans.

The campaign against reconfiguration has gained the attention and support of the National American Legion's "System Worth Saving" campaign, and a recent internal VA audit that found BHHCS staff may have been instructed to manipulate wait time data gives further credence to my concerns that the VA has been mismanaged into a state of decline as a means to justify reconfiguration. In light of these developments and the recent resignations of the two most

senior VA leaders who supported reconfiguration, former Secretary Shinseki and Dr. Petzel, I believe the VA should rescind its proposal and focus all of its energies on addressing the recent scandals and the pressing issues of veteran wait times.

From the beginning, I have raised concerns with the VA about the impact its plan would have on access to care for our region's rural veterans, assumptions made about future partnerships, and the data used to support this proposal. Unfortunately, these objections have gone ignored and the VA has continued to pursue this restructuring. Today, I restate my request that the VA withdraw its plan and restore the Hot Springs VA to its former levels of operations and staff before conducting a five-year review to gather new data.

Those who have answered the call to defend our freedoms deserve our utmost consideration, and we must proceed with their best interests at the forefront of discussion. Chairman Miller, thank you for holding this important hearing and granting me the opportunity to submit a statement.

JOHN THUNE  
United States Senator