



**Statement of the
Fleet Reserve Association
on the
VA Choice Program &
VA Telemedicine Reform**

**Statement for the
U.S. House of Representatives
Veterans' Affairs Committee
Hearing
October 24, 2017**

The FRA

The Fleet Reserve Association (FRA) is the oldest and largest organization serving enlisted men and women in the active, reserve, and retired communities plus veterans of the Navy, Marine Corps, and Coast Guard. The Association is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) and entrusted to serve all veterans who seek its help.

FRA was started in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

The Association testifies regularly before the House and Senate Veterans' Affairs Committees, and the Association is actively involved in the Veterans Affairs Voluntary Services (VAVS) program. A member of the National Headquarters' staff serves as FRA's National Veterans Service Officer (NVSO) and as a representative on the VAVS National Advisory Committee (NAC). FRA's NVSO also oversees the Association's Veterans Service Officer Program and represents veterans throughout the claims process and before the Board of Veteran's Appeals.

FRA became a member of the Veterans Day National Committee in August 2007, joining 24 other nationally recognized Veterans Service Organizations (VSO) on this important committee that coordinates National Veterans' Day ceremonies at Arlington National Cemetery. The Association is a leading organization in The Military Coalition (TMC), a group of 33 nationally recognized military and veteran's organizations collectively representing the concerns of over five million members. FRA senior staff members also serve in a number of TMC leadership positions.

The Association's motto is "Loyalty, Protection, and Service."

Certification of Non-Receipt of Federal Funds

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

Introduction

Distinguished Chairman Phil Roe, Ranking Member Tim Walz and other members of the Committee, thank you for the opportunity to provide a statement regarding draft legislation to be discussed and reviewed at your October 24, 2017 hearing. At the FRA National Convention in Hunt Valley, Maryland, (September 19-24, 2017) the delegates unanimously approved FRA's 2018 Legislative Agenda. It calls for the FRA Legislative Team to "Monitor implementation of the Veterans Access, Choice and Accountability Act (VACAA) that provides a \$10 billion fund to pay for non-VA care for veterans who live 40 or more miles from a VA facility or have been experiencing wait times for care of more than 30 days. VA has provided 'Choice Cards' to veterans who were enrolled in VA health care as of August 1, 2014, and to recently discharged combat veterans who enroll within the five-year window of eligibility."

The Association does not have any provisions in its Legislative Agenda pertaining to operations on live donors for purposes conducting transplant procedures for veterans or the VA regulation of state veteran's homes. Therefore: the FRA statement focuses on the VA Choice program and VA Telemedicine reform.

VA Choice Program

In FRA's recent survey (January/February 2017) nearly 81 percent of veterans see quality of VA health care benefits as "Very Important" (the highest rating). The past three years VA and specifically the Veterans Health Administration (VHA) have been embroiled in controversy and scandal. Since the Phoenix waiting list scandal was uncovered by Congress a robust debate has ensued on how to reform VHA to ensure it can provide timely, comprehensive and veteran-centric health care to veterans in need. In response to the scandal Congress passed the "Veterans Access, Choice and Accountability Act" (VACAA) that became law in 2014. FRA supported this legislation because the VA's first priority must be to ensure that all veterans currently waiting for treatment are provided timely access.

FRA supports the Independent Budget (IB) Framework for veteran's healthcare reform, and wanted the Choice program at the very least to be extended. The Association believes that the "Choice" program has merit, but will require significant oversight by this Committee to ensure it is an effective program that will benefit our disabled veterans. VA must ensure that Non-VA Care Coordination teams are adequately staffed and funded to be capable of handling the workload. Outsourced care has been available for many years but has not been well-planned or coordinated with VA care.

This law gives veterans who have waited more than 30 days for an appointment—or who live more than 40 miles from a VA medical facility—the choice to seek VA-funded care outside of the VA system. About 58 million medical appointments were scheduled by VA in fiscal 2016, an increase of almost six percent in less than two years. Almost a third of those appointments were scheduled with doctors working outside the VA system, in private clinics. 8,481 patients on VA lists have been waiting more than four months for appointment requests, a number that swelled to more than 10,000 in early 2016.

At a recent House Veterans Affairs Committee (HVAC) hearing VA Secretary Dr. Shulkin claimed that VA community care appointments have increased by 61 percent overall since Choice was created and, last year, 30 percent of all VA appointments were held in the community rather than in VA medical facilities.

On August 12, 2017, President Trump signed into law (Public Law – 115-46) the FRA-supported “VA Choice and Quality Employment Act,” (S.114) sponsored by Senator Dean Heller (NV). This legislation provides \$2.1 billion to continue the Choice Program for six months while Congress works on other reforms to the Choice Program. It also authorized 28 major medical facility leases and enhances the recruitment, retention and training of the VA workforce.

Now that the funding short fall has been fixed, FRA is delighted to see this Committee’s efforts to try to provide a transformational change of VA health care by creating an integrated network of VA and community health care providers, with the VA serving as the coordinator and primary care provider. The networks could make decisions about access to community care based on clinical determinations and veterans preferences, rather than subjective time and distance as is the current practice in the choice program.

FRA wants to note that the VA decision to use the Department of Defense (DoD) Electronic Health Record (EHR) Secretary of Veterans Affairs Dr. David J. Shulkin recently announced that the VA will dramatically reform this agency’s Electronic Health Record (EHR) system by replacing the old antiquated system with same system used by the Department of Defense. This change is a shift from the VA’s previous plan to develop its own system to digitize records. It will bring the agencies closer to sharing veterans’ health information in an effort to solve a problem that has plagued the two departments for decades. “The health and safety of our Veterans is one of our highest national priorities.” Shulkin said “Having a veteran’s complete and accurate health record in a single common EHR system is critical to that care, and to improving patient safety.” Secretary Shulkin claims that the software has a high level of cyber-security.

FRA has long sought to ensure adequate funding for DoD and VA health care resource sharing in delivering seamless, cost effective, quality services to personnel wounded in combat and other veterans and their families. The Association has repeatedly called for increased oversight in its Capitol Hill testimony to keep pushing both agencies to make progress on this issue.

Draft VA Choice Legislation

FRA appreciates the provision in the draft legislation that co-payments for an eligible veteran shall not exceed the co-payments required to be paid if services were provided at a VA facility. FRA also believes it is important that the ensures that providers within any contracted network are appropriately compensated in a timely basis, and that Congress will ensure appropriate funding accounts for community based care for veterans. Therefore, FRA supports the prompt pay provisions in the draft bill that provides payment within 45 days for paper clean claims and 30 days for an electronic clean claim. The Association also notes the provision in the draft legislation for in certain cases the VA to use a “value-based reimbursement model” to promote high-quality care. The switch to value-based reimbursement causes providers to change the way they bill for care. Instead of being paid by the number of visits and tests they order (fee-for-service), providers’ payments will be based on the value of care they deliver (value-based care). The transition from a fee-for-service reimbursement system to one based on value is a significant oversight challenge.

FRA wants a VA health care program that is streamline and will integrate non-VA care into the broader VA health system, enhancing timely access to quality care, and focusing on a system that is easy to understand, simple to administer and meets the needs of veterans, community providers and VA staff. This program should improve collaboration and integration of Department of Defense (DoD)-VA-Community health care systems as part of a comprehensive, high-performing network of care. Our veterans deserve nothing less.

Veterans E-Health and Telemedicine Support

FRA supports the “Veterans E-Health and Telemedicine Support Act” (H.R. 2123), sponsored by Rep. Glenn Thompson (PA), that expands the current Department of Veteran Affairs (VA) state licensure exemption to allow credentialed health care professionals to work across state borders performing telemedicine without having to obtain a new state license.

This bill will help veterans struggling with mental health conditions, especially those in geographically remote areas. The bill will enable the VA to expand key treatment services, including behavioral health, which is critical considering the VA is facing increasing care demand and mounting provider shortages.

Under current law, VA health care professionals must be licensed in the state where the patient is treated in order to offer services. The state licensure requirement has limited the VA’s ability to

utilize telemedicine capabilities, which have been known as an effective mechanism for delivering a wide range of care services. The bill removes these barriers and allows the VA to provide treatment free of this restriction.

In 2011, Congress passed the Servicemembers Telemedicine & E-Health Portability Act, through which the Department of Defense (DoD) is now working to expand access to active duty service members through various existing programs. This current bill will enable the VA to implement the same reforms and provide greater access to care for our veterans.

Again we wish to thank the Committee for this opportunity to express the concerns and opinions of FRA members on these vital issues. Our leadership and Legislative Team stand ready to work with this Committee to improve benefits for all veterans who have served this great Nation.

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