

.Choice Consolidation: Leveraging Provider Networks to Increase Veteran Access
Statement of Mr. David J. McIntyre, Jr.
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Introduction

Good morning, Mr. Chairman and Members of the Veterans Affairs Subcommittee on Health. I am pleased to appear before you this morning to discuss the status of the development of the community care network in our geographic area of responsibility, which includes 28 states and three U.S. territories. The last time I appeared before you on this particular topic was last Summer, and a lot has occurred since then that has positively impacted access to care for the Veterans who call our area of responsibility home.

Before I get started with my remarks, Mr. Chairman, I would like to thank the Chairman of the full Committee for his leadership and focus on ensuring that our nation's Veterans have access to the health care they earned with their service. It has been and remains a privilege to be of service to his constituents. I know that they are going to miss him when he retires at the end of this Session; however, know that we will continue to stay focused at the side of the Department of Veterans Affairs (VA) in meeting the needs of those he has represented so capably. And, I am confident that his legacy will long endure... as VA continues to re-set for this generation's warriors and the next.

It is a privilege to appear alongside Dr. Baligh Yehia, from the Department of Veterans Affairs. From personal experience, I would like to observe that his hands-on and focused leadership, and that of a very capable team within VA, is enabling us all to move the needle and start to achieve success in the re-setting of VA's leveraging of care in the community to augment that which is available directly within its direct delivery system.

TriWest and VA continue to work in close partnership to improve access to care for Veterans across our service area. While we are beginning to see the fruit of our labors, I would be the first to admit that more remains to be done to fully fulfill the promise of the nation to those who have worn the uniform and sacrificed in service to this great nation.

A Historical Perspective

During TriWest's 20 year history, the company I was fortunate to help form with a group of non-profit health plans and university hospital systems – and have been privileged to lead since then as President and CEO – has focused exclusively on leveraging the core competencies of our owner organizations and their strong market presence to ensure access to needed care when the federal systems on which those in uniform rely are unable to meet the needs directly. And, we and our more than 3,500 employees, most of whom are Veterans or family members of Veterans, count it an honor to be part of the team stretching ourselves in service to our nation's heroes!

Our first 18 years were spent supporting the Department of Defense (DoD) in standing up and operating the TRICARE program in a 21-state area. I'm proud of the work that we did to assist DoD in making TRICARE the most popular health plan in the country and meet the needs of millions across the TRICARE West Region who relied on us for that support. And, as those of us who were around in the early days of TRICARE can attest, we know it was neither an easy nor painless road. Now, working at the side of VA, while the challenges of implementing a new program have been similar to the early TRICARE days, due to the added layer of complication that led the Choice Program to be brought forth so quickly, I believe we can achieve the same results for Veterans who look to VA for their health care needs.

In our experience under the TRICARE program, we had 15 months to prepare for the start-up of TRICARE and then nine months to stand up the program before the demand for services arrived. With the Veterans Choice Program, this 24-month period was shrunk to a little more than 30 days. Since then, you, VA and we, have been focused on making the changes necessary to achieve the success we all desired with a program that demanded the aggressive design and implementation schedule given the crisis out of which it was born.

While not yet where we all want to be in the re-setting of VA and the programs that exist to support it in the delivery of needed care and services for our nation's Veterans, I would submit that a lot of progress has been made and I am proud of the fact that 100,000 Veterans are now being served each month in our geographic area of responsibility through the Choice Program.

First, most of the policies that needed to be re-set have been acted on and are operational... to the benefit of Veterans and the providers that serve them.

Second, the remaining operations gaps that exist are identified and the needed adjustments are being made. This is largely a result of the work that Dr. Yehia has done in bringing all of us together to form a common focus around five core initiatives: Simplify the Referral and Authorization Process; Decrease Returned Authorizations; Improve Customer Service; Get the Right Provider Every Time; and, Better Visibility into the Networks.

Third, the networks in our vast area of operations, have now been fully tailored and are being leveraged to begin to deliver on the demand profile that exists.

And, fourth, just last Friday, we finished the six month roll-out of an infrastructure and scale that is now beginning to deliver on the demand that exists. This took us from two sites of operations to 10 sites, with Friday's opening in El Paso.

I know that the road has not been painless or easy on anyone involved, especially for the Veterans we all seek to serve; however, there has been tremendous progress in our area, we are maturing the program and WILL achieve the expectations that you and your fellow members of Congress had when you mandated the creation of the Choice Program to more optimally meet the health care needs of our nation's Veterans. As one who was there at the start of TRICARE, and through all of the painful periods and the refinements necessary to smooth out the operation... making it a model program for our nation's defenders and their families, I would say that we are well on our way. And, enabling VA to consolidate all of the community

care programs should be the last mile of modification needed to put us on a path to achieving the excellence we all expect of ourselves and wish for those we are privileged to serve.

We all know the pathway we have been on, but I think it deserves repeating.

Where We Started: PC3

In September 2013, VA awarded the brand new Patient-Centered Community Care (PC3) contracts, and we were selected to serve 28 states and the Pacific. And, we were given 90 days to begin operations.

TriWest rose to the occasion by leveraging the existing networks and strong relationships already in place due to our prior work under the TRICARE contract. Initial access to specialty care from our existing network providers began in January 2014 with the ongoing expansion and addition of primary care providers coming online over the months that followed. That network building continues to this day as VA and we learn more about where demand exists that was otherwise not being met before this program began.

PC3 was intended to be a nationwide program giving VA Medical Centers (VAMC) an efficient and consistent way to provide access to care for Veterans from a network of credentialed specialty care providers in the community when VA was unable to deliver the care directly. This would provide a consolidated network in each area, rather than continuing the inconsistent and expensive ad hoc approach of trying to contract by site for an array of providers. This was one of TriWest's primary missions as a TRICARE contractor. So, we quickly embarked on the path of putting this together, only to learn that the VA sites really did not have a good handle on their demand profile... a challenge that would become even more extreme with the adoption of Choice. And, when you do not know the size and shape of your demand it makes it nearly impossible to effectively tailor networks... as we discovered painfully in the early days of PC3 and Choice. The goal, though, of having a tailored network of community providers to allow for the optimization of VA's direct delivery system and meeting the specific needs of the Veteran population across each state unable to be met directly by VA remains very doable... as we are now proving in our area of operation.

I will say that the concept proved its worth early in the State of Arizona, where an extensive network was available in Maricopa County starting in January 2014. In fact, it was that network of nearly 7,000 community providers that would prove to be an invaluable tool in the Spring of that year.

A Historical Perspective of Choice Program

In April 2014, the "furnace lit off" in Phoenix, and the country was shocked to learn of the shortcomings in the system. This served as the catalyst for fueling a focus on VA reform throughout the nation and the conversation about what a VA re-set should look like. At that time, nearly 15,000 Veterans were discovered to be on waiting lists for care in Phoenix alone. It is but one example of the re-setting that was needed and has since begun under the leadership of Secretary Bob McDonald, Deputy Secretary Sloan Gibson, and Under Secretary for Health Dr. David Shulkin. Since then there have been a number of Office of Inspector General reports published outlining similar findings... all pointing to the reality that Veterans were not getting the care they needed and deserved in a timely manner.

The recognition that further reform was needed to meet Veteran health care needs led, as you know, to the Veterans Access, Choice and Accountability Act (VACAA) and ultimately, to the Veterans Choice Program. In August 2014, Congress appropriately passed VACAA, and required that this program be stood up quickly in the marketplace. VA faced with these new revelations and the urgent Congressional mandate asked its two PC3 contractors, TriWest and Health Net, to help implement the new Choice Card Act. In fact, we had just over 30 days to go from the policy specs being received from Congress and interpreted by VA to having a program designed and stood up by November 5, 2014 – just 16 months ago.

Within record time, we created the infrastructure, hired and trained hundreds of staff, and got Choice Cards into the hands of four million Veterans in our area of responsibility. TriWest stood up a state-of-the-art contact center making sure that callers to the toll-free line were greeted by the voice of Secretary McDonald, thus underscoring the importance of this new initiative. All of this was accomplished within 30 days which you mandated in law.

I recall vividly sitting in a meeting that VA held with industry in mid-September 2014, as they were seeking to determine how to implement this necessary new program, and hearing many say that a program of this magnitude would take a minimum of 12-18 months to stand up and that DoD had been given about 36 months to design and then stand up a similar program with TRICARE.

However, that was just not good enough in the face of the revelations of the delays that had come to light. Those who served our country without hesitation are not afforded such luxuries of time when our nation sends them across the globe in defense of our country. So, we swallowed hard and agreed to lean all the way forward to stand up the program knowing that it would be imperfect, just as TRICARE was in the early days, but that getting it in place and refining as we went forward would be critical to helping our fellow citizens who were standing in line because they were in need of care that was not available directly within VA.

So, we stepped into the fire at the side of VA and did what others said could not be done and jointly stretched ourselves to stand up this critical new program in weeks (not months or years). Our contact centers went into operation, the Choice Cards went out, and care started to be rendered in the community when it could not be directly provided by VA.

The partnership between VA and TriWest has progressed and matured substantially over the past year. This is a dynamic relationship in which we continue to refine and strengthen operational processes and communication, both on our end and VA's end. Do we still have work to do? You bet we do! But, I am very proud of what we have all accomplished in such a short timeframe. And, I am confident that the trajectory on which we are all on to improve this much needed program will produce the same results as experienced with the refinements that came quickly within the TRICARE program.

One of the core challenges when the PC3 program was first implemented was that we didn't have a clear view of the demand for care. Thus, it made it difficult to ensure a precise supply of network and the subsequent infrastructure of systems and people needed to support that demand as a company. Additionally, we faced programmatic and statutory challenges with the Choice Program when it was first launched (which is discussed in detail later). But, we had to start moving and then refine later ... which is

exactly what we have done and continue to do with intensity, and will continue to lean forward to ensure that Veterans receive the care they have earned, and that Congress envisioned with the enactment of Choice!

Volumes were low in the beginning as Veterans were just learning of the new access they were gaining through this program. Care requests were about 2,000 for that first month of 2014. While volume increased each month, care requests under PC3 only reached their peak at about 20,000 per month by the end of that year when the Choice Program came into the picture.

The second iteration of the program, beginning in January 2015, focused on implementing Choice and finding solutions to some of those challenges – both internally at TriWest, as well as within VA itself. We saw steady increases in care requests month by month. TriWest is now scheduling over 100,000 Choice appointments per month in 28 states, up from 2,000 per month in January 2015, a dramatic 50-fold increase.

Network Growth

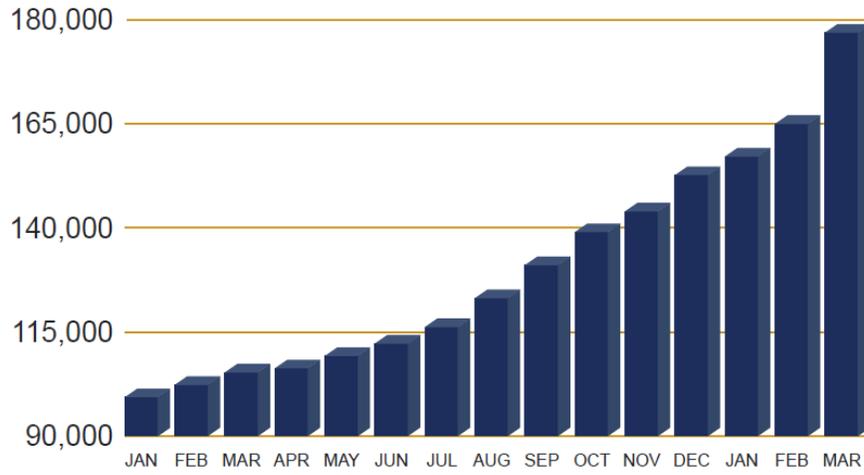
Foreseeing the likely increase in utilization, we initiated a process with the team from VA to assess demand and determine the distribution and supply of network that would be needed in the community to support that demand. We call it the “Demand Capacity Assessment Process”, which last Summer was conducted with nearly every VAMC within our service area. We met one on one with each medical center to assess how many providers of each specialty would be needed in addition to the supply of providers working at the VAMC to meet the needs of Veterans in each geographic area. This included not only a projection of the demand that was already known to exist but that which seemed ready to materialize with the added policy decisions regarding Choice coming out of Congress. We then took the output of this data-driven process and turned to our owner/network subcontractors and started to grow the network on a tailored basis to match the demand.

We implemented the tools for this process Memorial Day weekend of 2014 for the work that we were tasked with to assist the Phoenix VA in working off the backlog of nearly 15,000 Veterans waiting in line for care. Those tools allowed us to assess the demand and the needed provider and staff supply to assist the Phoenix VA in successfully eliminating the initial backlog by the end of August 2014.

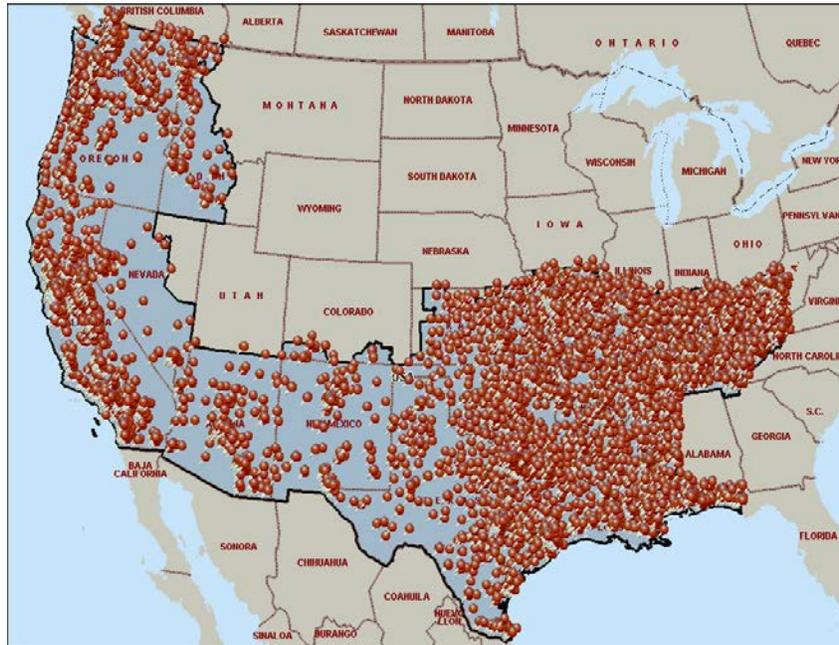
Armed with the Demand Capacity Assessment Tools, we and the VAMCs in our geographic area of responsibility worked to assess demand and then we went about mapping the supply of providers that would be needed in each community to provide that which VA was unable to deliver directly. This targeted approach has resulted in the tailored construction of a network that now totals nearly 180,000 providers across our service area.



PROVIDER NETWORK GROWTH
(Jan 2015 - Mar 2016)



The following is a map which plots the density and distribution of provider network:



While expanding the provider network was of primary focus, we also recognized that assuring the quality of our provider network also deserved special focus. To that end, in August 2015, TriWest was awarded full health care network accreditation pursuant to the Health Network, Version 7.1 from URAC, a Washington, D.C.-based health care accrediting organization that establishes quality standards for the health care industry. TriWest demonstrated that we meet key quality benchmarks for network management, provider credentialing, utilization management, quality management and improvement, and consumer protection. This accreditation is valid for three years, and demonstrates that those Veterans we are privileged to serve in support of VA have access to quality care.

And, as we continued to focus on the expansion of our network, this past Summer 2015, Congress refined the design of the Choice Program by enacting changes to help expand eligibility, thus providing greater access to care for Veterans. As a result, the number of care requests we received for private care has continued to grow dramatically.

The Veteran Experience

As part of our commitment to achieving the same performance outcome as we produced in TRICARE, we turned to a 20-year partner of ours to repeat an effort we undertook in that work. Once we had a few months of experience under our belt at the side of VA, we started a very focused and intentional effort to assess and understand current experience, identifying gaps and opportunities for improvement by conducting in person, “blueprinting” sessions alongside the industry leading Arizona State University’s world-renowned Center for Services Leadership (ASU CSL). In fact, it is they who train such industry leaders as Proctor and Gamble, Starbucks, Disney, and the like in the techniques of customer service mapping and process improvement.

One of the initial blueprinting sessions held last Summer included Veteran representatives, Phoenix VAMC leaders, Veterans Service Organization leaders and TriWest stakeholders. As a result of the blueprinting effort, TriWest and VA made changes to processes, program materials, and training to improve the experience for Veterans. The very early indications are that this time-tested approach, mirroring that of the most highly regarded customer service brands in America, is beginning to yield results that matter. TriWest has also introduced the ASU CSL process known as “service recovery” to address customer service breakdowns identified in our complaints and grievance process for inquiries received from Veterans, providers, Congressional offices and VSOs. This process ensures that root causes are analyzed by the leadership so that process improvements to customer service can be made.

The Provider Experience

Similarly, the provider experience is critical to both TriWest’s and our network subcontractors’ ability to build and maintain networks to serve Veterans. The Choice Program only works if it has strong participation from local providers who are reimbursed by the government in a timely manner for the service they provide to Veterans. We recognize that many of the requirements placed on providers to participate in the PC3 and Choice programs create a significant administrative burden and often go beyond what is typically required of providers to treat patients. It is for this reason that we are making efforts to reduce this burden, where it can be controlled by TriWest, by streamlining our processes. As a result of the provider blueprinting effort, TriWest is now revising our provider letters and redesigning our

Provider Portal (similar to what we did this past year with the VA portal) to improve the overall provider experience. We call this upgraded experience, “Provider 2.0” – that will make it easier for providers to join the network and receive timely payments for the services they render under the Choice Program. We are taking the provider experience to another level for the almost 180,000 providers in our network who serve the health care needs of our nation’s Veterans.

In an effort to lean forward further in the critical space of behavioral health, we have worked closely with the Phoenix VA, and initiated a pilot project to care for Veterans in urgent need of behavioral health services, who present themselves to the VA emergency department. TriWest has committed to helping place such individuals into the private sector for their emergency behavioral health needs in a timely manner, and to date has ensured that more than 200 Veterans have received the urgent behavioral health care they needed. ***That number represents saved lives.*** The behavioral health network is being utilized by some of the VAMCs in our 28-state region; in January 2016, 1,639 Veterans were served in the behavioral health community taking three days on average to get appointments scheduled, and 90% of them saw a provider in less than 30 days. We want to thank the team at VA for having the confidence to turn to us as a teammate, so that together we might address a challenge they were facing.

Another example which illustrates the great partnership we have developed with VA – a partnership aimed at taking care of the Veterans that we are so privileged to serve – occurred in Phoenix (as well as nine other locations in the regions where we operate).

In November 2015, TriWest energetically joined with VA on a special initiative – “Stand Down Day” to advance efforts to reduce the number of Veterans with high-priority or urgent care problems waiting longer than 30 days and to learn together what should constitute our focus in the months to come as we seek to further refine the operation of Choice.

In a collaborative effort with VA, TriWest assembled a team to provide real-time, onsite support for the Stand Down efforts within 10 pre-determined VAMCs. Through this collaborative effort, TriWest worked 6,500 Choice Veterans and the associated referrals. On Saturday, November 14, 2015 TriWest supported the Stand Down with 868 employees working across all hub locations. TriWest staff responded to inbound phone calls from Veterans and VAMC representatives, responded in real-time to VA comments posted through the shared web portal, data entered all new referral requests received on the 14th, and placed outbound phone calls to Veterans to initiate the appointment process. In addition, TriWest staff (including myself and other senior leadership) joined the VA staff in 10 specific VAMCs to provide real-time, onsite support.

As a result of VA initiating the Stand Down project, VA and TriWest were able to close the gap on outstanding health care service requests at VA and place a significant number of Veterans in the care of a community provider. The results for clinically urgent care were particularly strong as the large majority of care requests were appointed within five business days.

For example, in Phoenix, the Phoenix VA submitted a file to TriWest containing Choice referrals for approximately 298 Veterans. TriWest identified 502 referrals for this population. Beginning on November 14, 2015 (and continued through December 11, 2015) TriWest staff researched all unresolved referral requests and initiated contact with Veterans, providers, and VA staff. Overall, TriWest has been successful in reducing the number of those pending referrals to less than 30. The results for Phoenix

demonstrate the growth of the network of community physicians as well as the tremendous collaboration between TriWest and VA to drive favorable outcomes in a timely manner.

In the area of educating Veterans, providers and others about this program and its operation, TriWest has shown its presence at a number of local town hall and community meetings, as well as attendance and support at a number of Congressional Veteran Resource Clinics. We have briefed government, non-profit and civic leaders on the program and efforts to improve the processes. We are also very active with our support of the Veterans Economic Community Initiatives (VECI) program that was launched by Secretary McDonald in June 2015. This program is committed to providing employment opportunities for Veterans and their families through a network of support at the community level. In fact, many of our operations centers we have opened throughout the country are located in VECI communities, and we opened our last Operations Center in El Paso, TX on March 18, 2016.

Operational Growth, Innovations and Program Improvements

Beginning in May 2015, TriWest responded to the growth in care requests by ramping up our workforce, expanding our footprint and our network, and working on operational efficiencies. To meet the increase in demand of care requests that is on pace to hit over 110,000 authorization requests by the end of this month, we have added eight new operations centers across our geographic areas of responsibility and implemented a VISN-centric strategy with each of our locations, to better serve those geographic areas “on the ground”. Over the past few months, TriWest has opened operations centers in: San Diego (270 employees), Kansas City (over 500 employees); Tempe, AZ (400 employees); Nashville (250 employees); Honolulu (60 employees); Sacramento (270 employees); New Orleans (300 employees) and just a few days ago opened a final location in El Paso (235 employees) with the full collaboration of Congressman O’Rourke and his dedicated staff. My expectation is that once we are fully staffed at each of these sites (based upon the eligibility criteria that exists today), with all new staff online, that we will be able to fully handle the increasing demand coming through this program, which frankly has continued to be a bit of a struggle, as demand has continued to exceed all of our projections.

At the same time, TriWest spent 2015 focused on innovations to help improve program operations across the enterprise. In addition to opening operations centers, hiring thousands of new employees and building networks, a large focus has been on upgrading systems. We stood alongside our partners at the Phoenix VA almost one year ago today to obtain their requirements for a new portal – a region-wide system that enables VA staff to seamlessly order and track health care services between themselves and TriWest. We had a team of people working in shifts, around the clock for three months, to develop the upgraded portal, which was implemented in several phases beginning in May 2015. The new portal was available to every VAMC within our region by July 2015. Today, VA has over 2,500 trained users on the system, and they rely on this system to manage most aspects of community health care delivered through the Choice Program.

Another major initiative TriWest implemented to help manage the surge in program volume and growth in usage among Veterans, and aimed at customer service, was a new Customer Relationship Management System. This new tool will ultimately assist our staff in delivering effective and efficient customer service encounters, just as we did in TRICARE for those who have served. The system also brings improvements

to the user interface and the ability to document outbound and inbound calls with Veterans – all aimed at improving customer service.

And within our operations centers, we recently have also implemented a Behavioral Analytics Call Monitoring System which helps improve staff interactions with customers, VA staff, providers and Veterans alike. TriWest operations centers are now fielding nearly 300,000 incoming calls for care per month. Our operations centers are being built just as they were under our TRICARE contract – which was recognized for call center operation customer satisfaction excellence for five consecutive years under the J.D. Power and Associates Call Center Certification Program. That distinction acknowledges a strong commitment by TriWest operations centers to provide “An Outstanding Customer Service Experience.” It is how we have always operated, and we are committed to that high level of customer service operations again under this program.

On the provider side, we have worked to streamline the claims payment process whereby providers submit their claims electronically which helps improve provider satisfaction with claims processing. Today, TriWest pays clean claims at a rate of 97% in less than 30 days.

With all of these initiatives, tools and expansions in mind, I would be remiss if I did not mention that all these needed upgrades that have been implemented over the past 12 months or so, do not come without cost. Our company’s sole line of business is to care for Veterans – it’s who we are; it’s what we do. And from all we have done in dedicating ourselves to this mission, we have put the priority on getting this right for our nation’s Veterans because we and our non-profit owners believe that is the right thing to do.

Investing around \$70 million of our owner money thus far to further our and VA’s joint objectives to develop more optimal tools, tailor networks, and scale and re-footprint the company to more optimally deliver customer service at the side of VA, we are pleased with the refinement that is starting to materialize. The fact is that we continue to work hard alongside VA to do whatever it takes to make this program meet the vision from which it was created.

Still Hard At Work to Tackle Challenges

Choice is working. We all know that challenges remain as the program continues to progress and mature, but the customer experience under the Choice Program is getting better with each passing day. Information provided by TriWest staff is more consistent and more accurate; providers are more familiar with the program; and we have implemented an initiative that allows any provider in our region to register online with us to be a Choice provider. Knowing who is willing to treat a Veteran under the Choice Program, even if they are not already a TriWest network provider, goes a long way towards speeding up the appointing process.

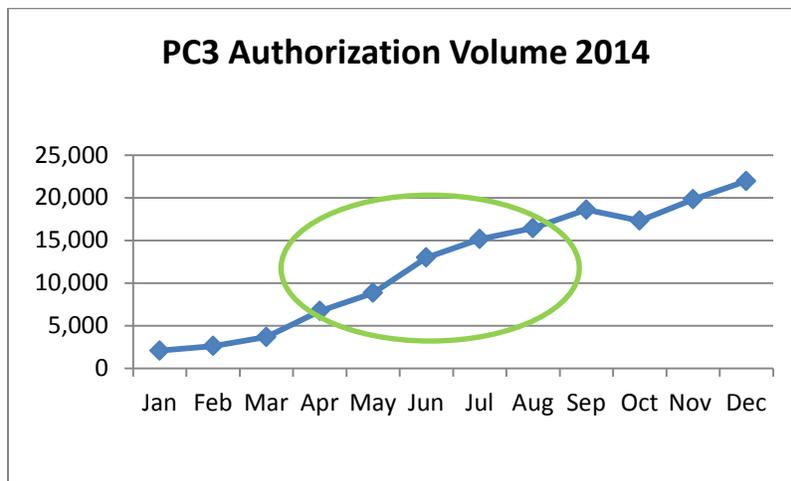
Every day we focus on improving the program. I say this because each challenge presents an opportunity to make the system better and prove to Veterans that good can come from their utilization of this system which you created to facilitate the benefits they have earned. Whether it’s the 95-year old Veteran in northwestern Arizona who used to drive three hours to Phoenix for care (and now gets his physical therapy 10 minutes from home) or the Veteran who spoke with one of our staff after his knee replacement, noting he’s had 20 surgeries in his life and the process through Choice was “the easiest of

them all” and “perfect”, we know that Veterans are beginning to recognize the benefit of this program as utilization increases.

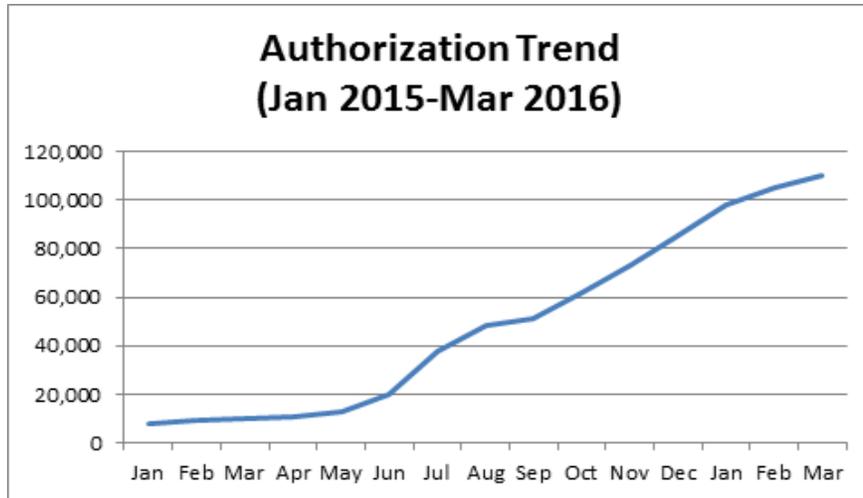
TriWest Performance – Becoming “the Answer” for VA

General George Patton said "a good plan violently executed now is better than a perfect plan executed next week". I think we now know personally the definition of “violently executed”, as that has been required of us. We adopted this mindset to begin working off the significant care backlogs in place when we were called upon to implement Choice in addition to our initial contract. And while more time to implement the program would've been ideal, not one of us involved in this wanted Veterans to wait a moment longer than absolutely necessary. It was critical to begin coordinating Veteran’s health care immediately.

Beginning in 2014 when PC3 was implemented, the program started out slowly with a couple thousand care requests per month. Networks were being developed, and we phased our implementation by region beginning in January 2014. Then, in April 2014, the furnace lit off in Phoenix, which ignited a rapid increase in program utilization nationwide. Over time, program adoption grew, and by the end of 2014, TriWest received almost 22,000 care requests from VAMCs throughout our regions, as displayed below:



At the tail end of 2014, and moving into 2015, the Choice program was birthed. At the start of the Choice program, we received requests for only 2,000 appointments for the entire month. This number has skyrocketed and expected to surpass 110,000 this month – just one year into the program. For those of us who are math minded, that’s over a 4,900% increase in volume. The chart below shows the upward trajectory for the number of authorizations received per day in 2015, and the first two months of 2016:

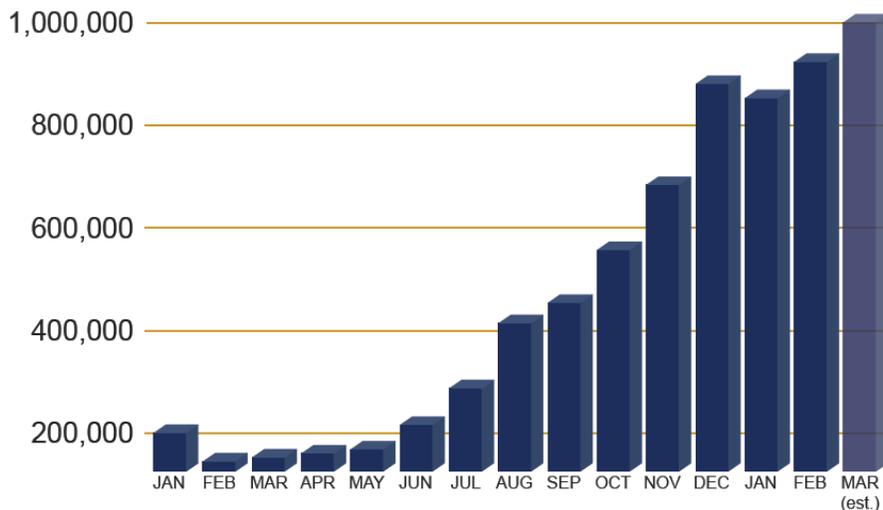


Although this massive growth is a positive indication that more and more Veterans are receiving the care they deserve, it does call upon us to push the envelope in meeting the challenges. Despite having added numerous operations centers since last Summer, increasing staffing by thousands, adding several innovations to systems and process, we are still not finished with our task of catching up fully with the continually increasing demand.

What is particularly staggering is the growth in the number of phone calls received. Just this last month, total calls were nearly 1 million. The growth in calls has been a bit like chasing a Tsunami, as the chart below illustrates.



TOTAL CALL VOLUME
(Jan 2015 - Mar 2016)



And, while we are still refining our operations in this area of staggering growth, I believe that the statistics are something about which we can be justifiably proud and demonstrate that we are gaining on it. They are as follows: less than 16 seconds average speed to answer, and an abandonment rate of 2%.

In the midst of this surge in demand, a number of policy and operational improvements have been made. For example, most recently VA implemented a change order to our contract in early October 2015, which aimed at lessening the wait lists and speeding the Veteran's access to care. That change involves using a more proactive approach to making health care appointments for Veterans, through the use of outbound calling. That is, through a streamlined process with VA, we now reach out to call the Veteran directly versus waiting for the Veteran to call us. The new outreach processes we have developed jointly with VA keeps the care requests moving rapidly through the system, so the Veteran receives care more expeditiously.

Finally, processes improvements continue to be worked as we fully implement additional operations centers, rounding out our presence in each of the VISNs within our regions. As any of us do in a new implementation or new job, we are striving to embrace a steep learning curve. Our employees will continue to become more efficient in their work, systems will continue to be tailored, and processes refined, ultimately resulting in the kind of favorable outcome that all Veterans deserve – thus fulfilling the overall goal of this program.

Refinements in Policy

At the outset of this crisis, Congress acted quickly to implement a program which provided enhanced access to Veterans health care. Since then, many legislative changes have occurred to address some nuances of this program that were unforeseen in the beginning.

The first of such changes began in January 2015, under the Omnibus Appropriations Act, when Congress addressed the rate issues and this change helped align rates in the area with the marketplace – a key component to provider satisfaction and contracting in that state.

Several months later, in July 2015, to further improve the program from a policy perspective, the “Surface Transportation and Veterans Health Care Improvement Act of 2015” modified several requirements of the Veterans Choice Act of 2014.

First, the Act repealed the 60-day limit on follow up care. Instead, the authorization extends for the entire episode of care. In January 2016, we received the formal modification to implement this change, which has opened the doors for many Veterans who need urgent services lasting beyond 60 days, and helps with certain provider groups who desire to provide care to Veterans, but had been stifled by the 60 day authorization rule. Now, Veterans who face serious conditions (such as the case studies I shared with you earlier) are able to receive the entire episode of care (chemotherapy treatment, maternity care, etc.) that is required to complete their treatment.

Second, the Act repealed the August 1, 2012 enrollment limitation on eligibility of Veterans in the patient enrollment system. This critical change removed the requirement that you have to be enrolled in VA prior

to August 2, 2014, to be eligible for Choice Program. The impact was great to Veterans, allowing near instantaneous determination of eligibility by the VAMC.

Third, the Act extended provider eligibility to any health care provider meeting VA criteria – this change helped open the pool of providers who could provide health care to this deserving population.

Finally, the Act based the 40-mile distance requirement as the distance traveled from a VA medical facility instead of ‘as the crow flies’, including one offering primary care for a Veteran seeking primary care. This gave more Veterans access to the program, especially in complicating geographic areas.

Another program change last Summer that was directed at improving access was VA’s implementation of the Choice First program – which immediately expanded eligibility and opened the flood gates to care by giving a Veteran the ability to obtain services in the network when such specialty was not available at all within their local VA medical facility.

Congress continued assessing necessary program modifications later into 2015. In September 2015, TriWest received a contract modification regarding outbound calls, and elimination of blind appointing, and we were authorized to begin working these changes on October 1. This more proactive approach to making health care appointments for Veterans prevents an authorization from sitting and aging, awaiting a phone call from the Veteran. As a result, more Veterans receive health care, and they receive it more timely.

In late 2015, Congress expanded access to private doctors where its Community Based Outpatient Clinics lacked sufficient provider access, expanding the number of patients who are eligible to seek care in the community under the Choice Program. As a result, if VA has no primary care doctor on staff, a referral for private care is not required. This change alone estimated opening up the program to about 160,000 more Veterans.

Finally, in November 2015, we received federal approval within our contract to allow TriWest to staff employees at VAMCs with the execution of an appropriate Memorandum of Understanding. As a result, TriWest has several cells of “embedded staff” within a multitude of medical centers, including New Orleans, Dallas, Harlingen, Anchorage and Phoenix, to more optimally coordinate work at the local level. Oftentimes, Veterans are able to walk right down the hall after a medical appointment that identified need for care in the community. In that office, they can get educated about the program, we learn of their preferences, and we start the process of securing them an appointment in the community. We know from our work during the TRICARE program that having staff embedded in a medical facility can go a long way toward making the use of the program a more seamless experience. Those TriWest staff got to know the government staff, the beneficiaries, and also the providers in the community. All of that helped speed the process of getting care provided in a timely manner in the community.

Overall, I commend Congress for all the steps it has taken this past year which have driven great program improvements. In addition to the changes that have already been modified into our contract, we also anticipate a change in Medicare payment, whereby providers no longer have to be Medicare participating in order to see one of our nation’s Veterans. This change has recently occurred with behavioral health providers, whereby behavioral health care can now be provided by master’s level counselors; therefore,

master's level counselors will now be able to participate in PC3 or Choice and will be eligible to receive authorizations to provide behavioral health care to Veterans. This change will help enhance Veterans' access to such services, and will be another piece to the puzzle of opening up more access to care for those providers who wish to provide care for Veterans nationwide.

The pace is swift and, as you can see, changes are plentiful, but we are implementing quickly, changing programs and refining processes along the way, and MUCH has been done to set the groundwork to improve the overall program and enhance access to care for our nation's Veterans.

Looking Forward –Pushing the Art of the Possible

Now that we have had a glimpse into the past, let me take you to a very important part – the future and the 'next generation' of the program, so that Veterans get the best care they need and deserve. Here's what I see over the next six months that is part of the formula for success moving forward.

At this point, I can confidently say that the Choice Program is working--more Veterans are receiving the care they have earned and deserve. It must work even better and faster to meet Veterans' needs, and TriWest is committed to the continued partnership with VA to continue to close the gaps.

One thing we know for certain is that through all of this, the Choice Program brought significant availability to health care for Veterans by making many community providers available to enhance access when access to care in VA is not sufficient to meet the need. Deputy Secretary, Sloan Gibson, stated during the House VA Committee hearing on November 18, 2015 that there have been seven million more appointments scheduled this year compared to last year. While not all of this has flowed through Choice, the volume is continuing to increase as we refine our capability and enhance our supply of network and staff to match demand. Despite all the maturation that still needs to occur to perfect the program, this is great progress, because millions more Veterans are receiving health care under this program than last year. Now, Veterans are demonstrating that they are gaining trust in the program and TriWest, and they are seeking the care they need. Veterans are voting with their feet—despite the start-up challenges, in the TriWest area of responsibility, last month over 100,000 Veterans chose to use Congress' VA Choice Act, including the 95 year old Veteran in Phoenix who no longer has to drive three hours for his physical therapy.

Demand for health care will grow as Veterans who may have become discouraged and given up seeking care will return as the backlogs are reducing across the system and as we continue to work together to effectively address access issues. We expect that as Veterans continue to gain trust in the Choice Program, they will continue to seek out this care when VA is unable to meet the need directly. It is for this reason that we will continue to expand our operations over the next six to nine months and beyond to ensure we do our part to see that Veterans get the care they have earned.

The network will continue to expand and be high performing, so that the Veterans we serve – and the VAMCs we serve alongside – will continue to have the ability to access needed care in a timely fashion.

Legislative advances to help move this program forward will have taken a strong foothold. And, we and VA just executed a change in the contract that allows us to decouple the receipt of medical documentation from payment for a provider. While we will still pursue the needed medical documentation from the

provider, so that it can get to the VA doctor quarterbacking the care for the Veteran and end up in the Veteran's consolidated medical record in VA, this will speed up our ability to pay the provider so that nearly all payments will match our performance on clean claims of more than 97% being paid within 30 days.

We are in the midst of a major VA health care reform, and we have the opportunity to make the health care delivery model the most efficient it can be. In my opinion, the best system for Veterans is a VA public-private partnership that builds on what VA does best, while leveraging private sector provider networks and best business practices created by TriWest. This partnership provides accountability and transparency while also fostering innovation. But, VA must ultimately be the backbone, focusing on their core mission of taking care of its soldiers inside the four walls of VA. And, VA must allow their private sector partner, TriWest, to do what we do best which is to build and enhance networks, process claims, schedule appointments, and help coordinate care for the best outcomes for the Veteran, with flexibility, effectiveness and efficiency. We must continue to work together for the betterment of VA health care, alongside VA and Congress, and we all must continue to build upon the core that we have already developed.

Conclusion

Mr. Chairman, I hope my testimony has provided some useful information as to how TriWest became a part of this effort, where we are today, and where we are headed in the future. I also hope it has convinced you that the company I am proud to lead considers it an honor and privilege to work every day to provide access to care for those who have served this nation in uniform. We have always stood ready to implement VA health care needs within record speed and record time, and will continue to dedicate ourselves to this critical task, all in support of our nation's Veterans. It is an awesome responsibility and our non-profit owners look forward to continuing to be a large part of the formula for future success in assisting VA in delivering on its responsibilities to our heroes on behalf of a grateful nation!

Thank you again Mr. Chairman for this opportunity to appear before you and your colleagues this morning. I look forward to answering any questions you might have.