STATEMENT OF

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BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON HEALTH

WITH RESPECT TO

"Innovative Care Delivery at VA: Partnering to Improve Infrastructure and Operational Efficiency"

Washington, D.C. May 12, 2022

Chairwoman Brownley, Ranking Member Bergman, and members of the subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to provide our remarks on this important issue pending before the subcommittee.

Infrastructure Challenges

Over the past decade, the Department of Veterans Affairs (VA) health care system has faced significant challenges and undergone historic reforms to improve veterans' access to timely and high-quality health care. While VA has received increased funding levels to support the veterans' health care system and an increasing number of veterans are seeking VA care, the lack of resources for facilities management and modernization, sufficient health personnel to meet the demand for care and benefits, and replacement of aging systems of support continue to negatively impact accessibility. VA's aging infrastructure not only causes many veterans to wait too long and travel too far for care but also potentially endangers the health and lives of veteran patients and VA personnel.

We are pleased to see VA will direct funds from the Recurring Expenses Transformational Fund toward its construction accounts, but while this is a good step, we believe it only shows the lack of a sufficient amount in the original budget request. Having to use the excess money from the transformational fund highlights the fact that VA has been nickel-and-diming these projects for years.

While VA's Strategic Capital Investment Planning (SCIP) process ostensibly provides a consolidated and prioritized list of all VA major construction, minor construction, non-recurring maintenance (NRM), and lease projects, VA's budget request regularly fails to include the full

SCIP funding estimates or priorities. The SCIP process does not provide a chronological list of anticipated repairs, renovations, and replacements of facilities necessary to develop an actuarial schedule of facility lifecycle repair and replacement costs. At best, SCIP provides nonbinding suggestions to the VA budget process, which are regularly ignored, resulting in an ever-increasing backlog of overdue maintenance and construction projects. Furthermore, as long as funding for VA infrastructure remains part of its discretionary budget, it must compete with other VA health care and benefit delivery priorities in an era of rising deficits and debt, budget caps, and sequestration. In this limited fiscal environment, VA is forced to choose between properly funding the maintenance of existing facilities or making overdue modernizations and expansions to meet veterans' future health care needs. As a result, the annual discretionary appropriations process has resulted in more than two decades of inadequate funding and a rising backlog of critical VA health care construction projects and leasing requirements. This underprioritizing has led to the need for the AIR Commission, and we hope this committee stands ready to remedy all VA infrastructure needs.

Insufficient VA construction management and congressional oversight procedures are obstacles to timely and cost-effective infrastructure maintenance and construction. Neither VA's Office of Construction and Facilities Management (CFM) nor individual VA facilities have the manpower or expertise required to plan or oversee VA's infrastructure at the levels needed to reduce the construction backlog. VA's multi-step planning, contracting, funding, and approval process is consistently plagued by delays and cost overruns, and low funding thresholds for minor construction and NRM, as well as PAYGO scoring rules, have unnecessarily limited clinical treatment.

To overcome VA's infrastructure challenges, Congress must not only provide significantly increased funding to fully address these long-standing issues, but also enact comprehensive planning, budgeting, management, and oversight reforms to ensure more effective use of those funds. The VFW recommends VA's construction budget should be, at a minimum, three percent of its overall operating budget just to keep up with the growing backlog. To reduce the backlog, in addition to more money, more employees and contractors would be needed to oversee the resulting workload.

The initial AIR recommendations we have seen include a substantial number of proposed changes to the VA health care system, therefore, these construction dollars should be separate from them. However, the recommendations do not close as many buildings as some proponents of the process anticipated. Many services within VA facilities will be shifted to community partners, or other VA clinics or hospitals. Most of the market assessments initially recommend retaining a large percentage of VA facilities and simply shifting services at those facilities.

If these initial recommendations are an indication of the final product of the AIR Commission, they reinforce the notion that we should not wait until the completion of the AIR process but instead redouble efforts to improve the existing VA facilities. There are billions of dollars worth of necessary repairs and upgrades needed for VA buildings, and those need to take place concurrently with the AIR process.

Lastly, the VFW is concerned about the seeming lack of priority for seismic corrections in this budget request. VA has identified approximately seven billion dollars worth of necessary corrections. We view seismic deficiencies as potential life-threatening safety issues. This needed work should not be spread out over years, and these issues should be prioritized and rectified as quickly as practical.

Partnerships

Congress must eliminate the sunset date on the Communities Helping Invest through Property and Improvements Needed (CHIP IN) program. The CHIP IN program is not an everyday solution to VA infrastructure issues, but whenever an opportunity arises to accept donated facilities, VA must be able to accept them if they are in VA's best interest. CHIP IN must also be amended to allow for maximum flexibility for any properties at any dollar amount.

A 2016 law created the pilot program allowing the Department of Veterans Affairs to accept donations for facility construction or improvements. In August 2020, a group of donors working in consultation with VA completed the first facility under this pilot program in Omaha, Nebraska. VA is anticipating a second facility will be built under the pilot program in Tulsa, Oklahoma, by a different group of donors.

On April 6, 2021, VA North Texas Health Care System announced it would transfer a facility to serve as an outpatient and specialty care clinic for some of the 184,000 North Texas veterans enrolled in VA health care. The donation of the hospital will save the VA system hundreds of millions of dollars, with estimates to build a new hospital exceeding $800 million.

VA's infrastructure portfolio is so massive that in order to successfully decrease the backlog, it will need the ability to generate partnerships and develop "outside the box" solutions to decades-old problems. These are just two recent examples where VA worked outside the traditional system to find a solution for a problem.

The Rocky Mountain Regional Medical Center in Aurora, Colorado, was finally completed in 2018 after being delayed over a decade and costing millions of dollars over the original cost estimate. Part of the reason this project was finally brought back on track was the inclusion of the U.S. Army Corps of Engineers (USACE) to oversee the completion of the project. USACE is the professional builder of the U.S. Government and should be utilized more to help offset the workload for VA construction. The VFW recommends partnering with the USACE whenever possible to help reduce the construction backlog.

In addition to partnering with other government entities, VA must continue to expand its partnerships with medical programs across the United States. VA's Office of Academic Affiliations (OAA) oversees the department's efforts to help train health care professionals, which it has been doing for seventy-six years. When allopathic and osteopathic medical schools are combined, there are partnerships between VA and ninety percent of U.S. medical schools. More than seventy percent of all U.S. practicing physicians trained at a VA facility at some time.

This level of partnership is incredibly important for both VA and the partner's academic affiliations. At some locations there are resource-sharing agreements of facilities and staff between VA and the partner medical schools. We urge VA to explore these relationships to identify more instances where shared facilities can help offset the costs to both VA and the medical schools in order for both entities to gain from this decades-long proven relationship.

Programs like CHIP IN are incredibly important and should always be made available so VA never has to turn down an opportunity to benefit from private sector generosity. However, while this program offers great opportunities, it is also rare. VA should instead prioritize the overwhelming number of partnerships with U.S. medical schools and leverage those relationships in order to share facilities and resources so everyone can benefit from these programs.

Staffing

Traditionally, when the VFW testifies before Congress about staffing at VA, we discuss the shortages of doctors, nurses, and other medical providers of specialized services. This is an incredibly important topic considering the reports about VA staffing often cite "severe shortages" in critical fields. However, I would like to use this opportunity not to discuss the tens of thousands of medical vacancies, but to spotlight the hundreds of unfilled facility management positions. These often overlooked staffing shortages could provide immediate remedy for some of VA's infrastructure problems.

CFM has approximately thirty-two percent vacancies at VA Central Office and throughout the VA system of facilities. An entity that has even higher vacancies is the Seismic Program, which currently has an eighty-six percent vacancy rate since being established in 2019. These positions are critical for VA to eventually eliminate the infrastructure backlog, and every effort needs to be made to fill these jobs.

In the May 2020 report to Congress per appropriations language, the Veterans Health Administration (VHA) stated the following, "While the funding provided is needed to improve VHA facilities, one of the major resource constraints remains local on-site engineering staff who are experienced and knowledgeable in the planning, development, and execution of NRM, Minor, and station-level projects at any VHA facility. Without appropriate staff, it is difficult to deliver the needed improvements. The salary disadvantage challenge in recruiting and retaining these engineering staff is the single largest impediment to execution construction and leasing projects. Through national review, VA's ability to retain and recruit such project management/engineering staff has declined mainly due to competition across other federal agencies as well as the private sector. For example, in several surveys, the ability to attract qualified individuals was hampered by private-sector salaries, for similar positions offering 25-30 percent more in direct compensation, all other factors being equal. Moreover, the cap on the grade level allowed at the facility level is inconsistent across the federal government to VA's disadvantage." VHA has pursued different approaches to reconcile the staffing issues, but the VFW believes they need more help.

There needs to be changes to the hiring authority to make these positions more competitive with not only the private sector but also other government agencies. There is no way VA can hire and retain high-quality employees if it is at such a disadvantage in terms of salary. Additionally, the VFW recommends many of these positions be given the authority for approval for Direct Hire Authority as Hard-to-Recruit occupations. Without changing the way VA hires and retains personnel, VA's CFM will continue to operate at a disadvantage, and there will be even less of a chance to reduce the tens of billions of dollars in infrastructure backlog that exists today.

Chairwoman Brownley, Ranking Member Bergman, thank you for the opportunity to discuss this important topic today. This concludes my testimony and I'm prepared to answer any questions you may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2022, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.