

STATEMENT OF THE HONORABLE DR. DAVID J. SHULKIN

SECRETARY OF VETERANS AFFAIRS

BEFORE THE

SENATE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON MILITARY CONSTRUCTION,

VETERANS AFFAIRS, AND RELATED AGENCIES

MAY 11, 2017

Good morning, Chairman Moran, Ranking Member Schatz, and distinguished Members of the Subcommittee. Thank you for the opportunity to discuss the Department of Veterans Affairs (VA) Community Care Program, including the Veterans Choice Program, which allows for Veterans to access the care they need and deserve. I am accompanied today by Dr. Baligh Yehia, Deputy Under Secretary for Health for Community Care in the Veterans Health Administration (VHA).

Veterans Choice Program Extension

We are extremely grateful for the recent efforts of Congress that resulted in the enactment of the "Veterans Choice Program Improvement Act," which removed the expiration date for the Veterans Choice Program and allows the Department to use the full \$10 billion originally allocated to care for Veterans in the community. It also made VA the primary coordinator of benefits and allowed for better health information exchange between VA and community providers. These changes will lead to more Veterans getting community care and will reduce the administrative burdens of using

the program for Veterans, community providers and Federal partners, and VA staff.

While progress has been made, there is still more work to be done to serve our nation's Veterans.

Future of VA Community Care

VA needs a different approach to ensure we can fully care for Veterans. We need your help in modernizing and consolidating community care. Veterans deserve better, and now is the time to get this right. We believe that a redesigned community care program will not only improve access and provide greater convenience for Veterans, but will also transform how VA delivers care within our facilities.

This redesigned program must have several key elements. First, we need to move from a system where eligibility for community care is based on wait times and geography to one focused on clinical need and quality of care. This will give Veterans real choice in getting the care they need and ensure it is of the highest quality. At a minimum, where VA does not offer a service, Veterans will have the choice to receive care in their communities. Second, we need to make it easier for Veterans to access urgent care when they need it. This will ensure that Veterans will always have a choice and pathway to get their urgent needs addressed. Third, the new program must maintain a high performing integrated network that includes VA, Federal partners, academic affiliates, and community providers. We need to ensure that VA is partnering with the best providers across the country to take care of our nation's Veterans. Fourth, it must assist in coordination of care for Veterans served by multiple providers. Finally, we must apply industry standards for quality, patient satisfaction, payment models, health care outcomes, and exchange of health information. By doing so, Veterans can

make informed decisions about their care and VA can have the tools to better compete within communities.

We believe redesigning community care will result in a strong VA that can meet the special needs of our Veteran population. Where VA excels, we want to make sure that the tools exist to continue performing well in those areas. Veterans need the VA and for that reason, community care access must be guided by principles based on clinical need and quality. VA needs the support of Congress to level the playing field with industry by making it easier to modernize our infrastructure, leverage IT technologies, hire the best talent, and operate more like the private sector. A good example is management of our real property and infrastructure portfolio, where numerous barriers prevent VA from being agile in response to Veterans health care needs in different geographic areas. We want to work with Congress to discuss the best ways to bring common sense to this area.

VA also needs tools to improve our recruitment, hiring and retention of the best professionals to serve our Veterans. These tools could include improvements to hiring and pay authorities to better address vacancies in our medical center and VISN director positions, to help at least in part address disparities with the private sector. As a final example, there is federal law that requires VA facilities to have a smoking area. We all know the impact on health from smoking, and smoking cessation is the most immediate and dramatic step a Veteran, or anyone, can take to improve their health. VA strongly supports H.R. 1662 which would repeal this requirement. Action in these areas will make VA more modern, and be an enabler for our dedicated workforce to be more effective in their service to Veterans.

In order to improve care for our Veterans, we want to work with Congress to develop needed legislation for the future of VA community care. This legislation would have to be enacted by the end of the fiscal year to ensure that VA has sufficient time to proceed with regulations and other changes needed to implement the new vision. If we can accomplish this together, we would set VA on a bold new direction to not only increase access to community care but also transform the VA itself. We are committed to moving care into the community where it makes sense for the Veteran. Finally, I want to make sure that everyone understands that making better use of community care must be done in a fiscally responsible way. We cannot continue to grow our funding in the same way we have done over this past decade. And, I want to be clear that I am committed to strengthening the VA system and will not support efforts to privatize this much needed and essential system. The ultimate judge of our success will be our Veterans. With your help, we can continue to improve Veteran's care, in both VA and the community.

Thank you and we look forward to your questions.