

**STATEMENT OF
DR. CAROLYN CLANCY
INTERIM UNDER SECRETARY FOR HEALTH
VETERANS HEALTH ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS**

**FOR PRESENTATION BEFORE THE
SENATE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS,
AND RELATED AGENCIES**

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Good morning Chairman Kirk, Ranking Member Tester, and Members of the Subcommittee. Thank you for the opportunity to appear before you to discuss the Department of Veterans Affairs (VA) Veterans Health Administration (VHA) fiscal year (FY) 2016 and 2017 Medical Care Advance Appropriations budget request. I am accompanied today by Dr. James Tuchschnidt, Acting Principal Deputy Under Secretary for Health.

The year 2014 will likely be recognized as one of the most memorable in VHA's history. To say that we had a crisis on our hands would be an understatement. We realize the significant work that remains ahead. The good news is that moving forward, along with Congress, we have an opportunity to reshape the future and make long-lasting valuable changes.

The Department of Veterans Affairs as a whole is working to rebuild trust with Veterans and the American people, improve service delivery, and set the course for long-term VA excellence and reform, while delivering better access to care and benefits. This includes the Department's "MyVA" initiative, which reorients VA around Veteran needs and empowers employees to assist them in delivering excellent customer service to improve the Veteran experience. As we enter 2015, all of us in the VA health care system will be focused on the "My VA" initiative, as well as VHA's *Blueprint for Excellence*. The Blueprint is aligned with the Department's Strategic Plan and supports the "MyVA" initiative. The Blueprint lays out themes and supporting strategies for transformation to improve the performance of VA health care now—making it not only

more Veteran-centric but also Veteran-driven by putting our customers in control of their VA experience. The *Blueprint for Excellence* will serve as a guide in all of the programs I mention throughout my testimony. I am confident that the deep sense of mission we share will carry us through the next year and any challenges we might face in the future.

VHA's FY 2016 budget request will support VA's goals to expand access to timely, high quality health care; end homelessness among Veterans; and continue to transform the Department through its "MyVA" initiative, which reorients VA around Veteran needs and empowers employees, to assist them in delivering excellent customer service to improve the Veteran experience.

The cost of fulfilling this care and other obligations to our Veterans grows, and we expect it will continue to grow for the foreseeable future. We know that services and benefits for Veterans do not peak until roughly four decades after a conflict ends. Therefore, more resources will be required to ensure that VA can provide timely, high-quality health care into the future. The FY 2016 budget requests additional resources which are critical toward providing Veterans the care that they have earned through their service and sacrifice.

Improved Access to Care

VA is taking multiple steps to expand capacity at our facilities. The FY 2016 budget request provides \$60.0 billion for VA medical care, a 7.4 percent increase above the 2015 enacted level. In addition, the 2016 budget request supports implementation of the Veteran Access, Choice, and Accountability Act of 2014 ("Veterans Choice Act") with the goal of providing timely, high-quality health care for our Nation's Veterans. The Veterans Choice Act provided \$5 billion in mandatory funding to increase Veterans' access to health care by hiring more physicians and clinical staff and improving VA's physical infrastructure.

As a result of the Veterans Choice Act, VA is recruiting to hire more than 10,000 additional medical professionals and support staff with funding provided in the Act, and expanding our clinical trainee programs. The VHA National Recruitment Program (NRP) provides an in-house team of skilled professional recruiters employing

private sector best practices to fill the agency's most critical positions. The NRP has increased its targeted recruitment efforts for mission-critical clinical vacancies that, once filled, will improve access to care.

In addition, the Choice Act increased the maximum award amount of the Education Debt Reduction Program to improve recruiting and retention of medical professionals. The Veterans Choice Act also provided \$10 billion in mandatory funding through 2017 to establish a temporary program (the "Veterans Choice Program") to increase Veterans' access to health care by allowing certain Veterans to elect to receive non-VA care from eligible providers if the Veterans qualify based on their place of residence or when VA is unable to schedule an appointment within the VHA's wait time goals. In order to ensure VA's ability to deliver high-quality health care to Veterans, the Veterans Choice Act also authorized VA to procure twenty seven new Major Facility Leases nationwide. VA's leasing program provides flexibility to meet shifts in demographics, and the changing service needs of our Veterans.

The Veterans Choice Program may provide a measure of short-term relief from the pressure of escalating health care needs as current patients in the VA system elect to receive their care through this program. These investments, together with the FY 2016 budget request, will provide the authorities, funding, and other tools to enhance services to Veterans in the short-term while strengthening the underlying VA system to better serve Veterans in the future.

VA is committed to increasing access to care for Veterans, and has placed special emphasis on those in rural and remote locations. Telehealth services are mission-critical to the future direction of VA care to Veterans. Telehealth utilizes information and telecommunication technologies to provide health care services when the patient and practitioner are separated by geographical distance. The FY 2016 budget requests \$1.224 billion, an increase of \$126 million (11.5 percent) for telemedicine. The number of Veterans receiving care via VHA's telehealth services grew approximately 18 percent in FY 2014, and is anticipated to grow by approximately 28 percent in FY 2015. VHA provided care to more than 717,000 patients via the three telehealth modalities: Clinical Video Telehealth, Home Telehealth and Store and

Forward Telehealth. This amounted to more than 2,123,000 telehealth episodes of care; - 45 percent of these Veterans lived in rural areas and may otherwise have had limited access to VA healthcare.

We are appreciative of the Veterans Choice Act's support to improve access as we build capacity within the VA system to better serve those who rely on us for health care. My testimony will now discuss key initiatives highlighted in the President's Budget request.

Mental Health Care

Long deployments and intense combat conditions require comprehensive support for the emotional and mental health needs of Veterans and their families. Accordingly, VA continues to develop and expand its mental health system. VA has integrated mental health services into primary care in the new Patient Aligned Care Team (PACT) model. Providing mental health care within the primary care clinic minimizes barriers that may discourage Veterans from seeking mental health care.

VA has many entry points for mental health care, including 150 medical centers, 830 Community Based Outpatient Clinics, 300 Vet Centers providing readjustment counseling, 80 Mobile Vet Centers, a national Veterans Crisis Line, VA staff on college and university campuses, and a variety of other outreach efforts. Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn Transition and Care Management Teams are located at every VA Medical Center to welcome returning Veterans, and to provide specialized care management services as they transition from Department of Defense to VA.

VA implementation of integrated mental health services in the PACT program has resulted in substantial increases in the number of VHA patients each year who receive Primary Care – Mental Health Integration encounters, rising from 131,589 in FY 2008 to 699,454 in FY 2014. Between 2005 and 2014, the number of Veterans who received mental health care from VA grew by 71 percent. This rate of increase is more than 3 times that seen in the overall number of VA users. The increase in the number of mental health encounters or treatment visits, from 10.5 million in 2005 to 19.6 million

in 2014, has been even more dramatic – an 87 percent increase. As a consequence of these trends, the proportion of Veterans served by VA who receive mental health services has shifted substantially. In 2005, 19 percent of VA users received mental health services, and in 2013, the figure was 27 percent. We anticipate VA's requirement for providing mental health care will continue to grow.

The FY 2016 budget requests \$7.455 billion, an increase of \$349 million (4.9 percent) to ensure the availability of a range of mental health services, from treatment of common mental health conditions in primary care to more intensive interventions in specialty mental health programs for more severe and persisting mental health conditions. We will continue to focus on expanding and transforming mental health services for Veterans to ensure accessible and patient-centered care, including treatment for Post-Traumatic Stress Disorder (PTSD), ensuring timely access to mental healthcare, and treatment for Military Sexual Trauma.

We are committed to ensuring the safety of our Veterans, especially when they are in crisis. Our suicide prevention program is based on enhancing Veterans' access to high-quality mental health care and programs specifically designed to help prevent Veteran suicide. Losing one Veteran to suicide shatters an entire world. Veterans who reach out for help must receive that help when and where they need it in terms that they value.

Hepatitis C Virus

VA places a high priority on ensuring that all enrolled Veterans who require treatment for the Hepatitis C virus (HCV) have access to the necessary therapies. Chronic infection with HCV is the most common blood-borne infection in the world and is a major public health problem facing not only VHA but the United States in general. VA has approximately 174,000 Veterans in care with HCV, making VHA the largest single HCV provider in the U.S. The FY 2016 budget requests \$690 million to capitalize on the availability of new therapies to improve access to and quality of HCV care. The new drugs will save Veterans' lives.

Specialized Care for Women Veterans

The number of women Veterans enrolling in VA health care is increasing, placing new demands on a VA health care system that historically treated mostly men. In FY 2014, there were more than 2 million women Veterans in the United States, accounting for more than 400,000 users of VA health care services. To address the growing number of women Veterans who are eligible for health care, VA is strategically enhancing services and access for women Veterans. The FY 2016 budget requests \$4.659 billion in total for women Veterans health care, an increase of \$502 million (12.1 percent).

VA strives to be a national leader in the provision of health care for women, thereby raising the standard of care for all women. VHA works to ensure that timely, equitable, high-quality, comprehensive health care services for women Veterans are provided in a sensitive and safe environment at VA facilities nationwide.

Reproductive mental health is also an area of increasing focus. This area of specialty addresses the fact that reproductive health transitions (for example before, during, or after pregnancy or menopause) can increase susceptibility to or exacerbate current mental health conditions. One of VA's goals is to transform reproductive mental health care delivery across the VA for women Veterans by enhancing collaborations between mental health, primary care, pharmacy and women's health.

VA is stepping up to meet the needs of a growing women Veteran population and enhancing primary care to meet their needs. We will continue addressing gaps and working to provide the compassionate care and welcoming environment our women Veterans deserve.

Caregiver Support Program

VHA recognizes the crucial role that family caregivers play. They are partners in helping Veterans as they recover from injury and illness, in supporting Veterans in their daily lives in their communities, and in helping Veterans remain at home. The Caregivers and Veterans Omnibus Health Services Act of 2010, also referred to as the Caregiver Law, has allowed VA to provide unprecedented support and services to

family caregivers of eligible Veterans. After the law was enacted, VA established a comprehensive National Caregiver Support Program, with a prevention and wellness focus, which includes the use of evidence-based training and support services for family caregivers.

The FY 2016 budget requests \$555 million for total obligations, an increase of \$73 million (15.1 percent) from 2015, of which \$469 million is for the monthly stipends paid to designated primary family caregivers under VA's Program of Comprehensive Assistance for Family Caregivers, an increase of \$58 million (14.1 percent). The increases to the stipend obligations are due to the increases in the underlying hourly wages used to calculate the monthly stipend rates combined with the designation of additional primary family caregivers.

In addition to the Program of Comprehensive Assistance for Family Caregivers, VA offers a variety of services and resources through the General Caregiver Support Services including: local Caregiver Support Coordinators, the National Caregiver Support Line staffed by licensed social workers, the VA website dedicated to family caregivers, as well as the Peer Support Mentoring Program. Additionally, VA offers a menu of training and provides many educational opportunities for Veteran caregivers. VA is dedicated to promoting the health and well-being of caregivers who care for our Nation's Veterans, through education, resources, support, and services.

Ending Veterans Homelessness

The Administration has made the elimination of Veteran homelessness a national priority. Between 2010 and 2014, overall Veteran homelessness dropped by 33 percent, and we have achieved a 42 percent decrease in unsheltered Veteran homelessness. Through unprecedented partnerships with Federal and local partners, we have greatly increased access to permanent housing, a full range of health care including primary care, specialty care, and mental health care; employment; and benefits for homeless and at risk for homeless Veterans and their families. As a result of these investments, in FY 2014 alone, VA provided specialized homeless services to nearly 260,000 homeless or at-risk Veterans. Nearly 72,000 Veterans and their family

members were placed in permanent housing or were prevented from becoming homeless.

In FY 2016, VA will continue to focus on prevention and treatment services. The FY 2016 budget request of \$1.4 billion provides for VA homeless-related programs, including case management support for the Department of Housing and Urban Development (HUD)-VA Supportive Housing program (HUD-VASH), the Grant and Per Diem Program, VA justice programs, and the Supportive Services for Veteran Families program. Ending homelessness among Veterans remains a top priority for VA. We are committed to achieving the goal of ending homelessness and we will not rest until every homeless Veteran has a place to call home.

Advances in Medical and Prosthetic Research

The 2016 Budget includes \$622 million for development of innovative and cutting-edge medical research for Veterans, their families, and the Nation. One example includes continuing the Million Veteran Program (MVP), a groundbreaking genomic medicine program, in which VA seeks to collect genetic samples and general health information from one million Veterans in the next five years. MVP will help provide answers to many pressing medical questions and lead to improvements in care and prevention to Veterans and the Nation. MVP complements the Administration's Precision Medicine Initiative, which seeks to improve treatment of disease by improving our understanding of gene-environment interactions and their influence on the development, progression and treatment of disease.

VA supports a range of studies on post-deployment mental health concerns such as PTSD, depression, anxiety, substance abuse, and suicide. Research aims to:

- Describe the incidence and prevalence of mental health disorders;
- Identify their risk factors;
- Quantify their effect on health outcomes;
- Understand the basic mechanisms of individual disorders;
- Identify effective treatments; and

- Develop models of care that will deliver effective treatments more quickly, widely, and reliably to Veterans in need.

The FY 2016 budget request also includes funding for a new strategic initiative toward building a learning health care system that is responsive to new information, adapts to implement more effective clinical practices, and is committed to an ongoing mission of excellence, supported by a culture of self-reflection and continuing education. In addition to the direct appropriation, medical research will be supported through an additional \$1.2 billion from VA's medical care program and other grants, contracts and cooperative agreements.

As part of one of the largest integrated health systems in the United States, VA's research program benefits from clinical care and research occurring together, allowing research to be directly coordinated with Veterans' care. Indeed, VA research is often the only source of federal effort addressing important sequelae of combat and military occupational exposures; VA leads the national effort in areas ranging from neuroprosthetics to social reintegration of injured Veterans.

Conclusion

In conclusion, VA is committed to providing the highest quality care, which our Veterans have earned and deserve. I appreciate the hard work and dedication of VA employees, our partners from Veterans Service Organizations—important advocates for Veterans—our community stakeholders, and our dedicated VA volunteers. I respect the important role that Congress has in ensuring Veterans receive quality healthcare and benefits that they rightfully deserve. I look forward to continuing our strong collaboration and partnership with this Subcommittee, our other committees of jurisdiction and the entire Congress as we work together to continue to enhance the delivery of health care services to our Nation's Veterans.

Mr. Chairman, Members of the Subcommittee, this concludes my remarks. Thank you again for the opportunity to testify. My colleague and I will be happy to respond to any questions from you or other Members of the Subcommittee.