

**"THE STATE OF VA"
STATEMENT OF THE HONORABLE DENIS MCDONOUGH
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE**

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Chairman Tester, Senator Moran, and distinguished Members of the Committee. Thank you for the opportunity to testify today on the State of the Department of Veterans Affairs (VA), and for your longstanding support of Veterans and their families.

Veterans' selfless service has helped to make our Nation the world's leader in commerce, business, law, science, technology and the arts—and has made America a beacon of hope and freedom around the world, drawing millions of people to our shores and serving as a model of democracy. Since becoming the Secretary of Veterans Affairs, I've heard incredible stories about our VA workforce serving Veterans, their families, caregivers and survivors with the dignity and honor they deserve:

- Employees like Bobie Smith in Tennessee, who helped a Veteran that had been struggling with alcohol and substance use disorder find purpose again through our compensated work therapy program;
- Lindsay Daly, a call center supervisor in Arizona who spoke at length with a Veteran-in-need, found out that he was teetering on the brink of homelessness, and got him housing assistance before it was too late; or
- Herman Watkins, Michael Foster, and Brian Hudson from the Alabama National Cemetery, who saw a surviving spouse grieving at her husband's gravesite, discovered that she was struggling with suicidal thoughts, got her the help she needed, and—as she describes it—saved her life that day.

I tell these stories because I find them inspiring and uplifting. I tell them because they illustrate, in exceptional ways, that the VA workforce is living our I-CARE values—adhering to the highest standards of Integrity, Commitment, Advocacy, Respect and Excellence. And I tell them because they set the example of the best we can be—an example to which we can all aspire.

President Biden often says that our most sacred obligation is to prepare and equip the troops we send into harm's way, and to care for them and their families when they return home. That's the promise that we, as a Nation, make to anyone who signs up for military service: If you take care of us, we will take care of you. If you fight for us, we will fight for you. Our Nation as a whole makes that promise. And we at VA are among those most responsible for keeping it. We are challenged to always serve them as well as they served us.

All of us at VA are focused on helping more Veterans make it through the pandemic. Vaccinations are the surest way to end the pandemic, protect Veterans and their families from this disease and return to normal life. We will continue to find ways to focus on and exercise our four fundamental principles—Advocacy, Access, Outcomes and Excellence—as we fight like hell for our Veterans. We will do all we can to prevent Veteran suicides and homelessness. Because one Veteran who dies by suicide is one too many, and one homeless Veteran in America is one too many. And we will continue to leverage the strength we find in the diversity that defines the Veteran population, our VA workforce and this amazing country, ensuring everyone entering a VA facility feels safe and welcome, and gets culturally appropriate, high quality care. Our Nation's Veterans deserve nothing less.

As VA continues to grow, it is essential that we coordinate care and ensure that Veterans can access the options available to them. One more example of this is the renewal of the partnership between VHA and the Indian Health Service on October 1 to help the country's nearly 145,000 American Indian and Alaska Native Veterans overcome health care access barriers. The partnership, originally established in 2003, facilitates health care access and improves patient experience, information technology, resource sharing and will now open the door for these agencies to develop an operational plan to achieve shared goals and objectives agreed upon with Tribal stakeholders.

Strategic Focus

I want to reiterate my statement to this Committee at the June budget hearing that to fulfill our country's most sacred obligation, every decision I make will be determined by whether it increases Veterans' access to care and benefits and improves outcomes for them. I will work tirelessly to rebuild trust and restore VA as the premier agency for ensuring the well-being of America's Veterans through a persistent focus on the three core responsibilities of the Department:

1. Providing our Veterans with timely world-class health care;
2. Ensuring our Veterans and their families have timely access to their benefits; and
3. Honoring our Veterans with their final resting place and lasting tributes to their service.

In addition to focusing on these three core responsibilities, President Biden also tasked me with:

1. Getting our Veterans through this COVID-19 pandemic;
2. Helping our Veterans build civilian lives of opportunity with the education and jobs worthy of their skills and talents;
3. Ensuring VA welcomes all our Veterans, including women Veterans, Veterans of color, and LGBTQ+ Veterans, and that Diversity, Equity and Inclusion are woven into the fabric of the Department;

4. Working to eliminate Veteran homelessness and prevent suicide; and
5. Keeping faith with our families and caregivers.

Key Challenges:

As VA addresses the numerous challenges brought on or exacerbated by the COVID-19 pandemic, we also will need to tackle other longstanding issues that are essential to the Department's ability to sustainably and effectively execute its mission, including (1) establishing the right balance of direct care and purchased care, (2) delivering timely access to high-quality mental health care, including substance use disorder care, and preventing Veteran suicide, (3) doing the right thing for Veterans exposed to toxic substances and other environmental hazards, (4) processing claims in a timely and just manner, (5) increasing support to families and caregivers, (6) increasing support for the growing number of women Veterans who utilize VA service, (7) providing a whole of Government solution to drive progress to eliminate Veteran homelessness, and (8) improving support for transitioning service members through improvements to the Transition Assistance Program (TAP).

Establishing the Right Balance of VA and Community Care

As VA continues to lead with excellence through the pandemic, we are focused on ensuring Veterans know we are here for them. We continue to conduct extensive outreach to urge Veterans who need care to seek it, and we are committed to providing that care through VA facilities, via telehealth, and through our network of more than 1.2 million community care providers.

VA is delivering more care than ever in our 75-year history. Since the John S. McCain III, Daniel Akaka and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (MISSION Act) was passed, more than 3 million Veterans – about half of those enrolled with the Veterans Health Administration (VHA) - have been authorized for at least one appointment in the community, and these numbers have increased each year since 2014. Last year, Veterans received more than 33 million visits in the community – a record high and about a third of all care VA provides. Through our facilities, we provided over 78 million visits, also the highest on record, and with more telehealth and in-home options than ever before. As VA continues to grow, it is essential that we coordinate all care and ensure that Veterans can access the options available to them.

As we consistently seek out and listen to Veterans' input on their experience of our system, we have learned that Veterans, leaders, and care providers at times find VA's hybrid direct and community care system complicated and confusing to navigate. VA announced in October that we are acting on that feedback to create a more seamless experience of care that ensures Veterans are empowered with the full range of care options available to them. We call this Integrated Veteran Care (IVC), and we're designing a unified model with direct input from Veterans Service Organizations. I'd like to extend my gratitude for their partnership.

To be clear, the purpose of the new IVC model is to provide a seamless experience of care that makes it easier for Veterans and their families, caregivers, and survivors to receive the care they need, where and when it is right for them. VA direct and community care will continue to be available as they were before, and we are constantly striving to expand options – including in rural and underserved areas. The three-phase implementation plan for IVC will provide Veterans the right care, at the right time, in the manner that works best to meet their needs, preferences, and safety during pandemic conditions. The phases are as follows:

- Phase One will realign the financial functions of community care under VHA's Office of Finance and begin the design of the new integrated access and care coordination model.
- Phase Two includes the realignment of the Office of Community Care and Office of Veterans Access to Care, establishing oversight for the completion and implementation of the integrated access and care coordination model.
- Phase Three will include deploying the integrated access and care coordination in the field, with nationwide training of involved staff. VA will make iterative adjustments to the model based on Veteran and employee feedback.

Access to Mental Health and Suicide Prevention

VA has made suicide prevention a top priority and is implementing a comprehensive approach to reach all Veterans. Our commitment to a proactive, Veteran-centered Whole Health approach is integral to our mental health care efforts and includes online and telehealth access strategies. Suicide is a complex issue with no single cause. Maintaining the integrity of VA's mental health care system is vitally important, but it is not enough. We know some Veterans may not receive any health care services from VA, which highlights that VA alone cannot end Veteran suicide.

In conjunction with Suicide Prevention Month last September, VA launched the Reach Out campaign to emphasize the importance of not waiting for a crisis to happen by acting now to help prevent Veteran suicide later. In addition to reaching out, other critical actions that can save a life are hearing a Veteran's story, being prepared, finding resources and spreading the word. The messaging ensures Veterans, their families, friends and caregivers know they are not alone, and it only takes a moment to reach out and ask for help. VA encourages Veterans who might be going through a challenging time in their lives to reach out for support. [VA Solid Start](#) connects Veterans with qualified representatives who call three times during a Veteran's first year of separation to walk through benefits available. VA's [Self-Check Assessment](#) is a confidential anonymous risk assessment Veterans can use to help them understand if and how stress and depression are affecting them.

VA was pleased to partner with the interagency to develop and unveil a series of priority goals that will drive efforts to reduce military and veteran suicide through a comprehensive, cross-sector public health approach. These goals will help clarify how

we leverage community partnerships and work with our federal partners to improve suicide prevention approaches within and across the military and veteran community.

Claims Relating to Military Environmental Exposures

To deliver benefits more quickly to Veterans who developed disabilities due to exposure to environmental hazards and to reduce the evidentiary burden on such Veterans, VA is piloting a new model to accelerate and improve the decision-making process for considering adding new presumptive conditions through rulemaking. This new model takes into consideration not only consensus reports from the National Academies of Sciences, Engineering, and Medicine, but also includes analyses of data from other sources, including data from VHA and the Veterans Benefits Administration (VBA). VA successfully applied this model to examine the association between exposures to particulate matter and three respiratory conditions. VA initiated rulemaking in May 2021 and began processing claims in August 2021 for asthma, sinusitis, and rhinitis based on an association with military service in Southwest Asia, Afghanistan and Uzbekistan during the covered periods of conflict. Going forward, the new model will rely upon multi-faceted data and employ a rigorous process to evaluate the strength of scientific and other evidence and allow VA to make faster policy decisions on key exposures.

Also in May 2021, VA began implementing provisions of the William M. Thornberry National Defense Authorization Act for Fiscal Year 2021 (P.L. 116-283), adding three conditions to the list of those presumptively associated with exposure to herbicide agents, more commonly known as Agent Orange. Those conditions are bladder cancer, hypothyroidism and Parkinsonism.

Many of our Nation's Veterans have waited a long time for these benefits. VA will not make them wait any longer. This is absolutely the right thing to do for Veterans and their families.

Processing Claims

In October, VA began hiring and training new staff to ensure Veterans' claims are adjudicated quickly and help mitigate the increase in the backlog of claims pending more than 125 days. As of October 30, 2021, the backlog inventory reached a high of 259,636 in an inventory of 612,504 total claims. Several factors have contributed to the backlog. Beginning in March 2020, operational changes necessitated by the COVID-19 pandemic resulted in delay of the Federal Records Centers' retrieval of documents and suspended in-person Compensation and Pension (C&P) medical examinations. While these actions were necessary to protect the health and safety of employees and Veterans, they slowed the processing time for claims. VA workload has also increased as a result of VA identifying more than 70,000 claims to review for additional entitlement stemming from the presumptive relationship between Agent Orange and Parkinsonism, bladder cancer and hypothyroidism, and the rulemaking that established service connection for asthma, sinusitis, and rhinitis for certain veterans.

The backlog has decreased by almost 3,600 claims in the 4 weeks since the October peak. With continued improvement of VA's ability to obtain C&P examinations and Federal Records, and with all requested resources received, VBA plans to address the impending increase and then further reduce the current claims backlog to 100,000 claims by April 2024.

Supporting Caregivers

VA's Caregiver Support Program empowers caregivers to provide care and support to Veterans with a wide range of resources through the Program of General Caregiver Support Services and the Program of Comprehensive Assistance for Family Caregivers (PCAFC). As a result of the *MISSION Act*, VA has begun a major expansion of PCAFC.

PCAFC expansion rolls out in two phases. The first phase, which began on October 1, 2020, expanded PCAFC eligibility to include eligible Veterans who incurred or aggravated a serious injury in the line of duty on or before May 7, 1975. Effective October 1, 2022, the second phase will expand PCAFC eligibility to include eligible Veterans who incurred or aggravated a serious injury in the line of duty between May 7, 1975, and September 11, 2001. As required under the *MISSION Act*, we are currently re-evaluating our Legacy Participants, those who were enrolled prior to the expansion. To allow us time for these reviews and robust discharge planning for those who are no longer eligible, I've extended the legacy program and added 15 months to the benefits available to Legacy Participants who may not qualify under the new PCAFC criteria. As we meet the legal obligations of *MISSION Act* expansion, we're focused on eligibility and appeal decisions that are fair, equitable, and consistent, regardless of where the Veteran receives care, regardless of when they served.

Improving Support for Women Veterans

Women are the fastest-growing segment of the U.S. Veteran population. Women make up 16.5% of today's Active Duty military forces and 19% of National Guard and Reserves. More women are choosing VA for their health care than ever before. The number of women Veteran users increased by 51.8% since 2008 and women accounted for over 30% of the increase in Veterans enrolled over the past 5 years. We are proud of our efforts to provide quality care to women Veterans, and remaining responsive to the specific needs of Service women is more important than ever.

To address the needs of the growing number of women Veterans who are eligible for VA health care, VA is strategically enhancing services and access for women Veterans by hiring women's health personnel nationally to fill any gaps in capacity to provide gender specific care — this includes hiring primary care providers, gynecologists, mental health care providers and care coordinators across all Veterans Integrated Service Networks so that VA is able to fulfill the mission of caring for all who served.

Each of the 171 VA medical centers (VAMC) across the United States now has a full-time Women Veterans Program Manager tasked with advocating for the health care needs of women Veterans. Mini residencies in women's health with didactic and practicum components have been implemented to enhance clinician proficiency. Since 2008, more than 7,600 health care providers and nurses have been trained in the local and national mini-residency programs and even more have participated in monthly webinars and Talent Management System trainings, not only developing women's health experts, but also enhancing competency of all clinicians across the system.

Under a new collaboration with the Office of Rural Health, we established a pathway for accelerating access to women's health training for rural primary care providers. VHA actively recruits providers with experience in women's health care to join its care team. VHA has launched numerous initiatives to improve access to state-of-the-art reproductive health services, mental health services and emergency services for women Veterans, as well as focusing on enhancing care coordination through technological innovations such as registries and mobile applications.

To provide the highest quality of care to women Veterans, VA offers women Veterans trained and experienced designated Women's Health Primary Care Providers (WH-PCP). National VA satisfaction and quality data indicate women who are assigned to WH-PCPs have higher satisfaction and higher quality of gender specific care than those assigned to other providers. Importantly, we also find women assigned to WH-PCPs are twice as likely to choose to stay in VA health care over time. Designated WH-PCPs are available across all VA Health Care Systems, and VA is actively recruiting additional new providers with even more enhanced proficiency in women's health care. VA provides full services to meet specific needs of women Veterans, such as gynecology, maternity care, infertility services, reproductive mental health services and military sexual trauma assistance.

Eliminating Veteran Homelessness

Across the country, there are about 37,300 homeless Veterans on a single night, and about 580,000 homeless people in total. The Biden-Harris Administration is taking action to prevent homelessness, including Veteran homelessness. In line with that goal, VA and HUD issued joint statement on ending Veteran homelessness.

VA remains committed to ending Veteran homelessness and ensuring that every Veteran has permanent, sustainable housing with access to high-quality health care, employment, and other supportive services to prevent Veteran homelessness. VA has partnered closely with other Federal agencies and with State and local programs across the country to:

- Identify all Veterans experiencing homelessness;
- Provide shelter immediately to any Veteran experiencing unsheltered homelessness;
- Provide service-intensive transitional housing to Veterans who prefer and choose such a program;

- Move Veterans swiftly into permanent housing;
- Provide employment and training services; and
- Have resources, plans, partnerships and system capacity in place should any Veteran become homeless or be at risk of homelessness.

The VHA Homeless Programs Office offers a wide range of resources and services for Veterans facing housing crises, having helped more than 850,000 Veterans and their families exit homelessness or remain in stable housing since 2010.

The VHA Homeless Programs Office Supportive Services for Veteran Families (SSVF) program gives homeless prevention assistance and has taken a proactive approach to reach Veterans at risk of homelessness during the pandemic. The SSVF program's Shallow Subsidy intervention initiative covers 35% of eligible Veterans' rent for 2 years without the risk of the subsidy decreasing if the Veteran's income increases during the 2-year period. In August, the Department expanded the Shallow Subsidy initiative and is in the process of granting \$200 million to 238 nonprofit organizations across the country and territories to provide housing rental assistance to extremely and very low-income Veteran households.

In October, we moved all 33 Veterans living outside of our West Los Angeles VAMC into housing and gave them help on issues that led them to be homeless in the first instance. That includes help finding a job, legal assistance to navigate the justice system, care for substance use disorders, and mental health care. Next, we're moving an additional 500 homeless Veterans in Los Angeles into housing by the end of this year—making sure they're "Home for the Holidays." This is what the country expects us to do—for homeless Veterans, for all homeless Americans, and for aging Americans who are going to need our help.

Economic Opportunity

As an overall group, Veterans fare better economically than the average American. However, Veterans and their spouses still face economic challenges. Helping Veterans build civilian lives of opportunity with the education and jobs worthy of their skills and talents is a critical priority.

VA military-to-civilian transition programs are designed to give transitioning Service members the best possible start to their post-military lives. The VA Benefits and Services course, as part of TAP, helps Service members and their spouses understand how to access the VA benefits and services they have earned. VA TAP provides resources and tools Service members need to achieve emotional and physical health, attain economic stability in civilian life and become career ready.

Women's Health Transition Training (WHTT) is an optional course in the TAP program for transitioning Service women on women's health care services available from VA post-separation from the military. These self-paced, online training sessions

help Service women understand VA's gender-specific health care services and how to enroll in VA health care as quickly as possible after separation. VA encourages all Service women who are currently serving or have previously served in the military to take WHTT.

In accordance with the “*Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020*” (P.L. 116-315), VA will be conducting several important studies on VA TAP with a specific emphasis on how the customer experience can be improved throughout the military to civilian process. Using qualitative human-centered design methods, VA experts will conduct interviews with transitioning Veterans and family members to identify the pain points, bright spots, and moments that matter before, during, and after VA TAP in order to design solutions to wholly improve the Transition Experience moving forward.

VA also offers educational and employment training for Veterans to help them transition to new careers. In April 2019, VA announced the Veteran Employment through Technology Education Courses (VET TEC) pilot program to provide training for approved high-demand areas in computer software, computer programming, data processing, information science and media applications. Veterans may qualify for both tuition and money for housing during their training. The VET TEC program does not count against the Veteran's GI Bill entitlement, and they need only 1 day of unexpired GI Bill benefits to participate. The goal is to provide participants with fast-tracked training by experts in the field followed by assistance in obtaining meaningful and relevant employment. Additionally, the “*Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020*” increased program funding, from \$15 million each year to \$45 million, and expanded VET TEC eligibility to include transitioning Service members within 180 days of their separation, making this another great opportunity for our Service members and Veterans to develop high-tech skills and advance their careers or find meaningful employment.

Electronic Health Record Modernization (EHRM)

When I began my tenure as Secretary in February 2021, proactive engagement with Veterans, Veterans Service Organizations, VA employees, and members of Congress revealed ongoing concerns with the project. Reports from the Government Accountability Office and Office of Inspector General reflected a range of issues, many of which were previously identified and addressed by VA (e.g. critical and high-test findings were closed prior to go-live). Several of the issues were reflected in the press. It troubled me that multiple stakeholders were citing a perceived lack of transparency on this project. On this basis, I directed a top-to-bottom strategic review of the EHRM program.

In July 2021, VA released the Comprehensive Lessons Learned Report from the strategic review. The findings focused on improving the Veteran experience; ensuring patient safety; providing enhanced training to our frontline employees; building confidence at VA sites; implementing organizational and program improvements;

improving operational efficiencies; strengthening the efficacy of governance; and improving data management for employees and Veterans.

To recognize the efforts of our frontline employees, incorporate the wisdom and best practices known in this industry, and most importantly deliver the excellence Veterans expect from VA, we still have work to do. As noted, the strategic review illuminated a broad range of issues, including potential patient safety concerns and increased productivity losses compounded by the COVID-19 pandemic. Additionally, through interviews and feedback from Veterans, VA learned that the patient portal experience was fragmented for Veterans at the Mann-Grandstaff VAMC post-go-live, and clinical and interdisciplinary workflows were not tested in a manner that effectively reflected a real-world environment.

Other concerns that were affirmed included that gaps remain in governing and managing data between the two electronic health records and the Department of Defense and change management and training were not effective in ensuring interdisciplinary employees understood and had adequate support in completing the key functions of their roles.

While the strategic review highlighted many challenges, it also identified opportunities to build upon, such as the standardization of clinical content developed by the national councils, which included local and national participants; this is a first for VA in moving toward standardization across VAMCs. As we move forward, we are using the momentum of the strategic review to shift toward a Veteran-centered approach to continue to identify areas of opportunity, make improvements at Mann-Grandstaff VAMC, and continue with deployments to gain more experience while increasing future site readiness.

Asset and Infrastructure Review (AIR) Commission

As you all are aware, the MISSION Act requires that I submit recommendations regarding the future of VA health care to the Presidentially appointed AIR Commission in January 2022. We are in the process of finalizing those recommendations and are on track to meet our Congressionally mandated deadline.

As we prepare to submit our recommendations, I want to continue to encourage Members of Congress and your staffs to review the market assessment data and findings which have been available to you since September, and to reach out to VA for a brief on the markets in your states. As I have said previously, the decisions made under the AIR Commission will have impacts in the lives of Veterans and communities across the Nation for generations to come.

Even as we move forward, I remain concerned about some aspects of our reliance on market assessment data that predates the COVID-19 pandemic. I recently directed that an independent analysis of VA's market assessment work be performed by a "Red Team" to assess the potential impact of COVID-19 on the future of VA health care delivery. The team, consisting of external health care professionals and former VA

Secretaries concluded that the pandemic has permanently changed the delivery of health care and the composition of the US health care system, and that the pre-pandemic market assessment process may not have been expansive enough to identify emerging health care demands.

As Secretary, I have a responsibility to ensure that the recommendations I approve reflect the best available information and lead to the best possible outcome for our Veterans. We are currently exploring options for collecting additional data to better understand the impact of COVID-19 and will seek to work with the AIR Commission to ensure that any additional relevant data factors into the Commissions review of the recommendations as well as the Commission's report to the President.

Caring for our country's Veterans and their families is a mission that unites us all, and I am honored to work with this Committee, Congress as a whole and our many other partners to embrace our collective responsibility to serve Veterans.

Chairman Tester, Senator Moran, thank you for the opportunity to appear before you today to discuss my priorities for the Department and how together we will serve our Nation's Veterans.