

TESTIMONY BEFORE THE SENATE COMMITTEE ON VETERANS' AFFAIRS

SOUTHCENTRAL FOUNDATION

JUNE 29, 2016

Chairman Isakson, Ranking Member Blumenthal, and members of the Committee, thank you for the opportunity to submit testimony on behalf of the Southcentral Foundation (“SCF”). Thank you also to Senator Sullivan, for championing legislation today that will help SCF make important progress toward bridging the provider gap in isolated geographic communities and helping the next generation of doctors learn the holistic, customer-centered, and relationship-based systems of care we believe are vital to high-quality healthcare in our communities.

Background

SCF is an Alaska Native owned and governed tribal health organization in Anchorage, Alaska. We provide medical, dental, optometry, a range of maternal child health services, behavioral health, and substance abuse treatment services to over 52,000 Alaska Native and American Indian beneficiaries living within the Municipality of Anchorage, the Matanuska-Susitna Borough to the north, and nearby villages. SCF also provides services to an additional 13,000 residents of 55 rural Alaska villages covering an area exceeding 100,000 square miles, extending from near the Canadian border in the east to the Pribilof Islands in the west. Finally, SCF provides statewide tertiary OB/GYN and pediatric services for approximately 150,000 Alaska Native people. We also co-manage the Alaska Native Medical Center, a 167 bed hospital, which is the tertiary care referral point for all IHS facilities in the state. We employ over 1900 people to do this work.

SCF’s Nuka System of Care is a name given to the whole health care system created, managed and owned by Alaska Native people to achieve physical, mental, emotional and spiritual wellness. This relationship-based Nuka System of Care is comprised of organizational strategies and medical, behavioral, dental, and traditional practices processes and supporting infrastructure that work together – in relationship – to support wellness. By putting relationships at the forefront of what we do and how we do it, the Nuka System of Care will continue to develop and improve healthcare delivery for future generations.

Our Nuka System of Care is acclaimed nationally and internationally for its numerous innovative practices including: same day access to an individual’s own primary care provider; patient-centered medical home services that have received the highest level of certification; and provision of primary care through interprofessional teams that include behavioral health, health

education, and pharmacy consultants. In 2011, we received the National Malcolm Baldrige Award for Performance Excellence from the United States Department of Commerce. SCF is the only Native organization to ever be honored with this distinction, and one of only about 20 United States healthcare organizations of any type to receive this difficult-to-achieve award.

Discussion

The Veterans' Administration ("VA") medical residency legislation being discussed today is intended to address several interlocking issues. In general, providing quality healthcare for veterans in rural areas is challenging for a number of reasons, but central to the issue is the lack of physicians. This legislation would increase the number of primary care physicians serving rural and remote areas by adding a new section to the existing provisions found in 38 USC § 7406 authorizing a pilot program that would make specific tribal health care providers eligible to work with the VA to expand or create new medical residency programs. The bill would allow non-VA facilities to access this critical funding and allow for additional expenses. SCF supports this effort and this legislation because we understand the need for more – and better trained – physicians to serve the veterans in the communities we serve, and communities like it.

As this Committee well knows, the Nation is facing a shortage of primary care physicians, and this gap is exacerbated throughout rural Alaska. This shortage exists nationally, and is likely to increase over time. According to the Department of Health and Human Services, if changes do not occur to meet the physician demand, reports indicate a projected shortage by 2020 of 20,400 physicians. The Association of American Medical Colleges predicts a shortage of 12,500-31,100 primary care physicians by 2025. This provider shortage is likely to hit hardest in places like Alaska and Native American communities that are already struggling to attract primary care and other physicians to practice. In Alaska, for example, there will need to be a 40% increase in the total number of primary care physicians, an increase of 237 positions, by 2030.

One of the single most effective ways to increase the number of physicians practicing in our communities would be to train them in our communities. This legislation provides VA the authority to do just that. The VA system is uniquely situated to partner with Native American community healthcare providers because medical residents who train in these programs will help reduce this provider gap by serving multiple, overlapping underserved communities to whom the country has significant healthcare obligations: veterans and Native Americans. In addition, studies show that doctors who train in certain communities are more likely to stay, and we are confident that the opportunity to train directly in the Nuka System of Care both will not only increase the number of physicians who are likely to practice in rural and Native American communities, but will also enhance the quality of care they will be providing to veterans and other patients throughout their careers.

Through the Nuka System of Care, SCF has been able to decrease the per-capita use of the Emergency Department by over 36% between 2000 and 2015. In addition:

- SCF's diabetes management measures put SCF among the top 5% of health care organizations in the country;
- SCF ranks in the top 10% for per-capita use of the Emergency Department and hospital admissions measures;
- SCF's customer-owner satisfaction ratings consistently are 96-99% positive, well above the average compared to other health care organizations;
- SCF's total employee turnover is one quarter of earlier levels, and is now in the top 25% nationally, despite SCF's difficult location for recruiting and retention;
- SCF's Alaska Native Medical Center received magnet status in 2011 for nursing excellence, an honor bestowed only to 5 percent of hospitals, nationally; and
- SCF has had a Level III certified Patient Centered Medical Home since 2009.

Despite these successes, workforce development is one of the major challenges SCF faces as an innovative, constantly-improving organization. And given the provider shortage, it is not likely to get any easier. Exacerbating the challenge is the gap between the knowledge and skills needed to perform in our health care system and the knowledge and skills of graduates from health professional training programs at United States colleges and universities. However, medical residents who are trained in the Nuka System of Care and similar systems will be able to help to transform health care throughout the United States by bringing the innovations SCF and other programs have developed to the VA and to healthcare systems around the country. The pilot program authorized by this legislation would serve as an incubator for positive change in our healthcare systems, and is worthy of your support.

Conclusion

The Southcentral Foundation is an innovative healthcare organization on the cutting edge of holistic, customer centered, and relationship based healthcare delivery. We would be thrilled to participate in the pilot program authorized by this legislation, and are confident that the legislation would be a strong step in the right direction for the VA and rural healthcare providers. We thank the Committee for its consideration of this bill, and Senator Sullivan for his leadership on it.

Frequently Asked Vacancy Information

1. How many vacancies are in Veteran Affairs facilities and Southcentral facilities?

a. How many primary care physician vacancies are in Southcentral Foundation Facilities?

As of December 2015, 15 primary care physician positions were needed at Southcentral Foundation. These 15 vacancies do not account for the use of Nurse Practitioners and Physician Assistants to fill PCP position that had remained vacant for multiple years. Nurse Practitioners and Physician Assistants are being utilized to fill those vacancies for the PCPs because of an insufficient number of PCPs. There are 47 primary care panels of which 23 are currently filled with physicians. If you take into account the number of PCP positions filled with nurse practitioners and physician assistants the total need for additional primary care physicians would be 24 FTEs.

b. How many primary care physician vacancies are in Alaska overall?

According to a report on Alaska's workforce vacancy (Branch, 2014), in 2012, Alaska experienced a vacancy rate of 11%, with 47 PCP vacancies in rural areas, and 18 PCP vacancies in urban areas. Again, however, this does not account for the use of nurse practitioners and physician assistant to fill vacancy that remained unfilled for multiple years. It is thought by experts in the field that this may be an underestimate of the number of PCP vacancies.

c. How many primary care physician vacancies are in Alaskan tribal organizations?

It is estimated that there are 22 primary care physician vacancies in the tribal system outside of SCF. Including SCF, there are 37 primary care physician vacancies. According to a report on Alaska's workforce vacancy (Branch, 2014), "tribal health-specific occupations, serving Alaska's most remote communities saw some of the highest rural vacancy rates across the entire survey: Community Health Aide/Practitioners 18% (102 vacancies), Behavioral Health Aide/Therapists and Village Counselors 19% (18 vacancies), and Dental Health Aide/Therapists 21% (10 vacancies)."

d. How many primary care physician vacancies are in VA Facilities?

As of July 15, 2015, the national physician vacancy rate for the Veteran Health Administration is 18%. In comparison, Alaska VA Health Care System's

physician vacancy rate is 33%. In Wyoming, Cheyenne VAMC has a physician vacancy rate of 28.6% and Sheridan VAMC has a physician vacancy rate of 34.8%. Montana VA Health Care System experiences a physician vacancy rate of 11.6% (USA Today, 2015).

2. What are the projected vacancies for primary care or family medicine in the State of Alaska over the next few years?

In Alaska, compared to the reported number of primary care physicians in 2010, 588, a 40% increase in PCPs (n=237) needs to occur by 2030 for a total of 825 primary care physicians (Robert Graham Center, 2015). According to State of Alaska Department of Labor and Workforce Development, a 2022 projection for average employment of family and general practitioners is 495, a 24% increase from the 2012 estimate of 399.

Nationally, reports indicate there will be a shortage in physicians if changes do not occur to meet the physician demand that is likely to grow by 17% (Grover, 2015). By 2020, there is a projected shortage of 20,400 physicians due if changes do not occur (US DHHS, 2013). By 2025, Association of American Medical Colleges predicts a shortage of 12,500-31,100 primary care physicians (Grover, 2015). AAMC calls for “an increase in federal support for residency training” as a way to address this shortage (AAMC, 2015).

WWAMI/Residency Information

3. What are the retention rates for WWAMI for keeping medical doctors in their respective states?

While retention rates are unknown for all states, the return rates for WWAMI states are as follows:

- Washington: 54% (2014) (TrippUmbach, 2014)
- Wyoming: 67% (2014) (UW School of Medicine, 2015)
- Alaska: 47% (2015) (University of Alaska Anchorage, 2015)
- Montana: 41%(2013) (Office of the Commissioner of Higher Education, 2013)
- Idaho: 51% (2014) (University of Idaho, 2015)

Additionally, return on investment rates based on all WWAMI graduates who now practice or have practiced in WWAMI states are as follows:

- Washington: 63% (2014) (TrippUmbach, 2014)
- Wyoming: 75% (2014) (UW School of Medicine, 2015)

- Alaska: 84% (2015) (University of Alaska Anchorage, 2015)
- Montana: 56%(2013) (Office of the Commissioner of Higher Education, 2013)
- Idaho: 75% (2014) (University of Idaho, 2015)

4. What is the general retention rate on where medical students complete their residency, in general?

According to the Association of American Medical Colleges (2015a), the national general retention rate for individuals who completed residency training from 2004 through 2013, who are not currently active in any Graduate Medical Education program, and who are practicing physicians in or out of state of residency training is 52.9%. The following is a breakdown per WWAMI state of this number:

- Washington: 53.4%
- Wyoming: 33.6%
- Alaska: 66.3%
- Montana: 64.6%
- Idaho: 56.1%

According to the Association of American Medical Colleges (2013), the 2012 estimate of percent of physicians retained in state from graduate medical education was 45%. The following is a breakdown per WWAMI state of this number:

- Washington: 49.2%
- Wyoming: 27.7%
- Alaska: 67.8%
- Montana: 63.3%
- Idaho: 56%

5. How many states do not have medical schools?

Six states do not have medical schools. These include the following:

- Alaska
- Delaware
- Idaho
- Maine (has New England College of Osteopathic Medicine)
- Montana
- Wyoming

Importance of Alaska and consideration of residency programs.

- Studies show there is a physician shortage nationally due to a 46% projected growth in elderly (Grover, 2015). Alaska has the fastest growing rate of 65-plus population of any state (Humsinger 2012).
- According to 2006 projections, Alaska would need a net gain of 59 new physicians each year to offset annual losses (Association of American Medical Colleges, 2012)
- Studies indicate residents practice medicine within close proximity of where they conducted their residency (AAFP, 2013).
- Data also indicates that there are too few residency programs to meet the needs of graduates. According to the NRMP, on Match Day 2015, over 1,700 new MD/DO graduates were not matched (Grover, 2015).
- AAFP President Robert Wergin calls for community-based residency training to build the primary care physician workforce (AAFP, 2015).
- And according to the Robert Graham Center (2015), “pressures from a growing, aging, increasingly insured population call on Alaska to address current and growing demand for PCPs to adequately meet health care needs.”

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