



CONCERNED
VETERANS
FOR AMERICA

Statement of

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before the

Senate Veterans Affairs Committee

concerning

Exploring the Implementation and Future of the Veterans Choice Program

May 12, 2015

Thank you Chairman Isakson, Ranking Member Blumenthal, and Members of the Committee. I appreciate the opportunity to testify at today's hearing on the implementation and future of the veterans choice program and your leadership in ensuring that veterans get timely and convenient access to the quality health care they deserve.

Nearly as we approach the one year anniversary of the passage of the *Veterans Access, Choice and Accountability Act of 2014*, true choice in veteran's health care remains out of reach for most veterans: like a mirage in the desert, as you move closer it recedes into the horizon. Our assessment is that the choice program has been unsuccessful and is not a tenable long-term solution. As such, we have developed recommendations for comprehensive reform through the Fixing Veterans Health Care Taskforce.

The current rules pertaining to choice do not represent *real* choice. Instead they require veterans to obtain approval from VA before they are able to make a choice. Veterans should not have to ask for permission to select their health care provider.

The VA implementation of the choice program has been a failure. For example, the Associated Press has reported that "GAO says Veterans' Health Care Costs a "High Risk" for Taxpayers"¹ and that "The number of medical appointments that take longer than 90 days to complete has

¹ Associated Press. "GAO: Veterans' Health Care Cost a 'High Risk' for Taxpayers" New York Times Online. ABC News Online, 11 Feb. 2015. Web. 11 Feb. 2015.

nearly doubled.”² They have also noted that “only 37,648 medical appointments have been made through April 11”.³

Last fall, Concerned Veterans for America commissioned a national poll of veterans. The results of that poll showed that 90% favored efforts to reform veteran health care, 88% said eligible veterans should be given the choice to receive medical care from any source they choose and 77% said give veterans more choices even if it involved higher out-of-pocket costs.

Choice and competition are the bedrock of today’s health care system. We choose our health care insurance, provider and primary care physician. Health care organizations provide quality, timely and convenient care, because they know if they don’t, they will lose their patients to someone else. In order to fix the VA health care system, both choice and competition must be injected into system.

Secretary Bob McDonald’s VA has recognized this in a fact sheet wherein they promise to “evaluate options for a potential reorganization that puts the Veteran in control of how, when, and where they wish to be served”.⁴ Unfortunately veterans do not have that control and will not under the current VA health care system.

The outmoded VA health care system that currently exists needs to become a 2015 health care system. We believe the Veterans Independence Act is the roadmap and solution to do just that. This roadmap is part of the Fixing Veterans Health Care report developed by a Bi-Partisan Policy Taskforce co-chaired by Dr. Bill Frist, former Senate Majority Leader, Jim Marshall former Congressman from Georgia, Avik Roy of the Manhattan Institute and Dr. Mike Kussman, former VHA Under Secretary.

The solutions and actions recommended are designed to provide concrete reforms to dramatically improve the delivery of health care to the 5.9 million unique veteran patients served by the VA.

We first developed ten veteran-centric core principles that serve as the guiding foundation. These ten principles are:

1. The veteran must come first, not the VA
2. Veterans should be able to choose where to get their health care
3. Refocus on, and prioritize, veterans with service-connected disabilities and specialized needs
4. VHA should be improved, and thereby preserved
5. Grandfather current enrollees
6. Veterans health care reform should not be driven by the budget
7. Address veterans’ demographic inevitabilities
8. Break VHA’s cycle of “reform and failure.”

² Associated Press. "VA Makes Little Headway in Fight to Shorten Waits for Care" ABC News Online. ABC News, 09 April. 2015. Web. 09 April. 2015.

³ Associated Press. "\$10B Veterans Choice program more underused than previously thought" Stars and Stripes Online. Starr and Stripes, 23 April. 2015. Web. 23 April. 2015.

⁴ “The Road to Veterans Day 2014 Fact Sheet” http://www.blogs.va.gov/VAntage/wp-content/uploads/2014/09/RoadToVeteransDay_FactSheet_Final.pdf, accessed May 5, 2015.

9. Implementing reform will require bipartisan vision, courage and commitment
10. VHA needs accountability

In order to implement these principles, we laid out three major categories of reform and proposed nine policy recommendations.

First, restructure the VHA as an independent, government-chartered non-profit corporation, fully empowered to make difficult decisions on personnel, I.T., facilities, partnerships, and other priorities.

Second, give veterans the option to seek private health coverage with their VA funds.

Third, refocus veterans' health care on those with service-connected injuries – which was the VA's original mission.

These reforms are carried out by nine policy recommendations:

1. Separate the VA's payor and provider functions into separate institutions, the Veterans Health Insurance Program (VHIP) and the Veterans Accountable Care Organization (VACO).
2. Establish the Veterans Health Insurance Program (VHIP) as a program office in the Veterans Health Administration.
3. Establish the Veterans Accountable Care Organization (VACO) as a non-profit government corporation fully separate from Department of Veterans Affairs.
4. Institute a VA Medical Center realignment procedure (MRAC) modeled after the Defense Base Realignment and Closure Act of 1990 (BRAC).
5. Require the VHA to report publicly on all aspects of its operation, including quality, safety, patient experience, timeliness, and cost-effectiveness.
6. Preserve the traditional VA health benefit for current enrollees who prefer it, while offering an option to seek coverage from the private sector through three plan choices.

VetsCare Federal: Full access to the VACO integrated health system with no changes to benefits or cost-sharing

VetsCare Choice: Select any private health insurance plan legally available in their state, financed through premium support payments.

VetsCare Senior: Medicare-eligible veterans can use their VA funds to defray the costs of Medicare premiums and supplemental coverage ("Medigap").

7. Reform health insurance coverage for future veterans.
8. Offer veterans' access to the Federal Long Term Care Insurance Program.

9. Create a VetsCare Implementation Commission, to implement the Veterans Independence Act.

To understand the fiscal impact of these policy recommendations, we retained the services of Health Systems Innovation Network to conduct a fiscal analysis. HSI determined a properly designed version of these policy recommendations is likely to be deficit neutral.

In order to fix veterans health care we must always keep in mind what General Omar Bradley said in 1947: “We are dealing with veterans, not procedures; with their problems, not ours”.

That is why we urge you to use the Veterans Independence Act road map to develop the legislative blueprint that will fix and be the future of veterans health care. Veterans must be assured that they will be able get the access, choice and quality health care they deserve. In this mission, failure is not an option.

CVA and the co-chairs of the taskforce are committed to overcoming any and all obstacles that stand in the way of achieving this important mission. We look forward to working with the chairman, ranking member, and all members of this committee to achieve this shared mission.