

Hawaii Disability Legal Services, LLC

1188 Bishop Street, Ste 1402 ♦ Honolulu, Hawaii, 96813  75-170 Hualalai Road, Ste A100 ♦ Kailua-Kona, HI, 96740

Written Testimony of Diane C. Haar,
Attorney at Law, Hawaii Disability Legal Services, LLC
Before the U.S. Senate Committee on Veterans' Affairs
October 5, 2022

Good morning. My name is Diane C. Haar. I am a licensed attorney practicing in the State of Hawai'i, the Pacific Territories, and the Philippines. My practice is devoted to representing veterans and others with disabilities throughout these regions.

As part of my practice, I am in contact with a significant number of doctors and other medical providers who are referred veterans and paid to treat these veterans by the VA. These providers are crucially important where we have a VA medical clinic rather than a medical center in Honolulu with community-based outpatient clinics throughout the rest of our state and territories. These providers do what our clinics often cannot, by providing specialty care near where the veteran lives, as well as additional physical and mental health care where the need is too overwhelming for our VA clinics to meet.

These medical providers often open up to me when their billing problems with VA become so significant that they do not know where else to turn. We lost a number of providers over the last 8 or so years who still will not come back and take VA referrals, because it was taking up to 9 months to 1 year or more to get paid.

Over the last couple weeks, I sought out and spoke to over 20 different specialty and mental health providers on Oahu and on our neighbor islands to find out how payments are going. I thank the VA for increasing the speed by which payments are made. I am told today, VA still takes about 60 days, which is slower than many other insurers, but adequate enough to sustain most of our providers. Albeit, some do say this still does create a disruption in allowing them to meet their own bills.

What I am more concerned about and want to share with you today is that there still remains a significant reason why we are losing or on the verge of losing additional medical providers. Specifically, the problem is that medical providers who have been treating veterans for a few years or more, have started getting letters stating that the VA has taken another look at the payments it made to them about 2 years prior and found it overpaid them \$5,000 or \$8,000 or some other large amount, and it wants it back immediately. The letter from VA generally tells these providers if they don't pay back the money immediately, VA will just take the amount out of any money it owes them then or in the future. It is not much of an incentive to keep treating our veterans. Additionally, I am told no reasons for the overpayment are given on the notice.

Worse, these providers let me know that it takes an inordinate amount of time to try to resolve these overpayments, where calls to the VA often end without being able to reach anyone or at least anyone who can help with the overpayment. I was told if the medical provider stays on it, the majority of these payment issues will be resolved in the provider's favor. However, the medical provider has to weigh the time spent on it versus the cost savings where all of time the medical provider spends trying

to chase payments is uncompensated, unplanned for time that also cannot be spent treating patients or on other productive pursuits.

I was also told by the medical providers that it feels like a "double whammy," whereby the VA already refused to pay the full amount they submitted two years ago, and then wants more back later. It is a major disincentive to providers to continue to see veteran patients.

This has been happening to both physical and mental health providers. Where nearly every medical practice in Hawaii is small, with only one or a handful of medical professionals, many of whom who handle their own billing, many of our providers have reduced the VA referrals they take, are questioning taking new VA cases, and some are planning to imminently cut ties with the VA. I would be happy to put you in touch with some of these medical providers if you have more questions than I am able to answer.

Thank you for the opportunity to testify on this important matter. I sincerely hope this can be rectified to benefit both the veterans and the medical providers they see.