



**THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON**

December 12, 2017

The Honorable Johnny Isakson
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

I write to raise issues for your consideration regarding the financial status of the Veterans Choice Program (VCP), established by the Veterans Access, Choice and Accountability Act of 2014, Public Law 113-146, as amended (Choice Act). Current projections indicate that VCP could be unable to create new referrals or authorizations within several weeks. Without additional funding before the end of the year, there will be a dramatic impact on the ability of the Department of Veterans Affairs (VA) to provide care to Veterans.

As of December 7, 2017, VA has approximately \$490 million in VCP funds remaining, once December obligations of approximately \$300 million and reserve funding of approximately \$300 million are accounted for. The average spend rate of VCP funds ranges from \$200 - \$400 million per month, with the possibility that unexpected obligations would push this above and beyond the reserves. As a result, we believe we have 3 to 5 weeks of funds left, which could change based on Veteran utilization.

Nearly 1.9 million unique Veterans have sought care through VCP since its implementation. VA has focused on improving VCP through streamlined business processes, contract modifications and implementation of statutory changes. Unless additional funds are provided, Veterans utilizing the current VCP will be less able to access timely health care as close to their homes as possible. The Veteran Coordinated Access & Rewarding Experiences (CARE) Act, proposed by VA to Congress, would satisfy the funding requirements if passed.

The challenges of the transition from VCP to a new Community Care program should not be underestimated, and VA will need to take steps soon to responsibly prepare for the termination date. If no action is taken by Congress in the next 3 to 5 weeks, VA could have to discontinue authorizing VCP care and transition Veterans to VA or other community care programs. VA's other community care programs will not have the capacity to handle all of the patients who will transition from VCP, and the wait time for appointments at VA facilities will rise if large numbers of Veterans return to VA to seek care. Taking these actions would have a number of negative consequences, including decreased access to care, damaged community partnerships and interrupted care continuity for Veterans.

Should you have any questions, please have a member of your staff contact Mr. David Brant, Congressional Relations Officer, at (202) 461-6463 or by email at david.brant@va.gov.

Sincerely,

A handwritten signature in blue ink that reads "David J. Shulkin, M.D." The signature is written in a cursive, flowing style.

David J. Shulkin, M.D.