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# United States Senate

COMMITTEE ON VETERANS' AFFAIRS

WASHINGTON, DC 20510

September 14, 2018

The Honorable Robert Wilkie  
Secretary of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Dear Secretary Wilkie,

In less than a month, the Department of Veterans Affairs' (VA) contract with Health Net Federal Services, one of the two third-party administrators of the Veterans Choice Program (Choice Program), will end. This means that—as of October 1, 2018—the VA medical centers (VAMCs) that are currently served by Health Net will assume all responsibility for coordinating veterans' Choice Program care until the program sunsets on June 6, 2019, and the new Veterans Community Care Program authorized by the VA MISSION Act begins.

Given the chaos and frustration that veterans, community providers, and VA staff in the Health Net regions endured throughout much of the Choice Program's implementation, I cannot emphasize enough the importance of ensuring that this contract close out process goes smoothly. Most importantly, there must be no disruptions in veterans' access to community care, and VA must ensure that community providers are promptly paid for delivering that care. I am writing to you today to share these and other concerns about the upcoming Health Net transition, which warrant VA's immediate attention.

### ***Close Out Plan and Contract Modification***

It is my understanding that, as of today, VA and Health Net have not yet reached written agreement on the contract close out plan they began jointly developing in the spring of 2018, and they are still in the process of negotiating the contract modification needed to carry out the plan. Fortunately, this has not held VA or Health Net back from carrying out certain activities, such as VA ceasing to send new Choice Program referrals to Health Net, and Health Net discontinuing appointment scheduling for new episodes of care. However, it is important that VA and Health Net reach written agreement on the close out plan and finalize the contract modification as soon as possible. This would help give both parties assurance that they have accounted for all of the tasks that will be necessary to successfully transfer the core functions of appointment scheduling, claims payment, and customer service from Health Net to VA, and that they have appropriately delegated responsibility for carrying out those tasks. When does VA intend to provide written approval for the Health Net contract close out plan and finalize the associated contract modification?

### ***VAMC Staffing and Preparedness to Handle Health Net Workload***

VAMCs within Health Net's regions have already assumed responsibility for all Choice Program appointment scheduling, as well as for establishing provider agreements with Health Net's community providers. After the contract ends, VA will become responsible for processing all Choice Program claims for regions previously served by Health Net. Given that VA did not decide until relatively recently to end the Health Net contract, and that VA hiring and training processes can take months, I am concerned that VAMC leaders have not had enough time to acquire the additional staff they will need to manage appointment scheduling, provider recruitment, claims processing, and veteran and provider customer service. How have you assessed VAMCs' staffing needs and ensured that each VAMC presently served by Health Net is staffed to handle the dramatic increase in workload (particularly, for claims processing and customer service) that they will soon face? What support will VA's Office of Community Care provide to assist VAMCs that lack sufficient staff? It is imperative that VA has appropriately staffed itself to take on Health Net's share of the Choice Program appointment scheduling workload, so that veterans' timely access to community care is not jeopardized.

### ***Communication with Veterans and Community Providers***

It is also critically important that veterans and community providers whose appointments have previously been coordinated by Health Net understand what is happening and know exactly where they can get help if they encounter any difficulty initiating or continuing Choice Program care—now, or at any point after the Health Net contract ends. I understand that Health Net and VA have developed letters and fact sheets for veterans and community providers, but what else is VA doing to ensure that veterans and community providers experience the smoothest possible transition? I want you to know that I am already receiving calls from veterans and providers who are concerned and confused about what will happen when Health Net's contract ends, so it's clear that your messages are not reaching everyone.

### ***Provider Outreach, Payments, and Customer Service***

Within the coming year, community providers in regions currently served by Health Net may have to sign up to three separate agreements to continue treating veterans—one with VA, which will last until the Choice Program sunsets; a second with VA, which will allow them to treat veterans under the new Veterans Community Care Program; and a third with a yet-to-be-determined contractor that will build a new network of providers under VA's planned Community Care Network contracts. Relationships with community providers are already fragile, given VA's and Health Net's history of late payments and poor customer service. If the transition from this contract—with Health Net still processing older Choice Program claims, and VA responsible for processing new ones—goes poorly, VA risks further alienating community providers, who may refuse to sign all of these agreements and continue treating veterans. To date, what percentage of Health Net providers have signed Choice provider agreements, and what percentage have declined? What are VA's plans to manage provider relationships and mitigate any network adequacy challenges that it may encounter in the coming year, while we await implementation of the new Veterans Community Care Program?

Thank you, Mr. Secretary. I look forward to your prompt response.

Sincerely,

A handwritten signature in blue ink that reads "Jon Tester". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Jon Tester  
Ranking Member