

**STATEMENT OF THE HONORABLE ROBERT WILKIE  
BEFORE THE  
VETERANS' AFFAIRS' COMMITTEE  
U.S. SENATE and HOUSE OF REPRESENTATIVES**

**THE STATE OF THE DEPARTMENT OF VETERANS AFFAIRS**

**December 19, 2018**

Chairman Isakson, Ranking Member Tester, Chairman Roe, and Ranking Member Walz, distinguished members of the Committee: Thank you for this opportunity to discuss the current state of the Department of Veterans Affairs (VA) and my vision for the future of America's Veterans.

After serving two months as Acting Secretary, and now four months as Secretary, I am happy to say that the VA is better. It's better because of the work of this Committee; better because of the attention paid to Veterans Affairs by the President; better because the turmoil of early 2018 is in the rearview mirror; and better because we have a workforce dedicated to the care of America's warriors.

While all Executive Branch departments and agencies must carry out their missions without consideration or influence of partisan politics, I have said in my visits across the department — visits that in the last five weeks cover ten VA hospitals from Boston to Las Vegas -- that there are two departments of the Federal Government that must be especially careful to rise above partisan politics: the Department of Defense (DoD) and the Department of Veterans Affairs—this Committee is proof of that postulate.

Now more than ever we are seeing the need for DoD and VA to work together to provide quality care for the Nation's Service members and Veterans. And now more than ever we also are seeing the benefit of strong bipartisan support for our DoD/VA partnership in the many major acts of Congress passed in the recent years. Congress has infused VA with a \$200 billion budget. You have passed the Accountability Act to shake up complacency, and you have passed the MISSION Act to strengthen VA's ability to ensure Veterans have access to the best care available when and where they need it. The future now is up to the department. I look forward to working with the Committee and Congress to carry forward that work of transformation, and I pledge to make our efforts as transparent as possible to you, to Veterans, and to the American people.

I would like to acknowledge the recent Veterans Day observance. For the second year in a row, President Trump declared November as National Veterans and Military Families Month. On November 11, the 100<sup>th</sup> anniversary of the ending of World War I, I gathered at Arlington National Cemetery with my colleagues from VA, DoD, Veterans Service Organizations, and others to pay tribute to those who have served and sacrificed on our behalf. It was a privilege to attend this ceremony and I am honored to serve as Secretary of Veterans Affairs and work daily to remember, honor and thank the men and women who embody the values and ideals of this great Nation.

## **Initial Assessment**

From what I have seen and from what I have been told by Veterans' advocates, it is clear to me that the Veteran population is changing faster than we realize. For the first time since the fall of Saigon in 1975, more than half of our Veterans are under the age of 65. They are computer savvy, they expect quick service, and they expect that service to be delivered closer to home. They expect an integrated VA that is agile and adaptive and will do what they need, when they need it. My goal is to provide them with that service. In many cases, I have seen wonderful examples of VA accomplishments that deserve more attention than they normally get.

- Not enough Veterans and Americans know that the VA health care system continues to outperform the private sector in the quality of care and patient safety for our Veterans.
- We are on the cutting edge of medical care and rehabilitative services, prosthetics, traumatic brain injury, spinal cord treatment, opioid management, mental health care, and telehealth.
- The Department has added its 136th National Cemetery in Colorado Springs at Pikes Peak. The first burial took place last month.
- Fifty-two state Veterans homes received construction and renovation funds this year.

For the first time in many years, overall VA customer satisfaction rate is on a steady rise. Thanks to an unprecedented series of legislative actions aimed at reforming the Department and improving care and benefits for our Veterans, we are now tackling issues that have vexed VA for decades, including:

- Giving Veterans more choice in health care decisions with the historic MISSION Act.
- Increasing accountability and protecting whistleblowers with the Whistleblower Protection Act.
- Improving transparency – VA is the first hospital system in the Nation to post wait times, opioid prescription rates, accountability, settlements, and chief executive travel.
- Adopting the same electronic health record as DoD so there can be a seamless transfer of medical information for Veterans leaving the service.
- Overhauling the claims and appeals processes to create a simplified system for filing to provide Veterans with clear choices and timely decisions.

We are on the cusp of the greatest transformative period in the history of VA. With the support of the President, the Congress, and our many partners, we are now tackling head-on issues that have lingered for years. This is not business as usual. This is fundamental transformation, not seen at VA since just after World War II, when General Omar Bradley headed the VA.

## **My Vision for VA**

Many of the issues I encountered as Acting Secretary and more recently as Secretary were not with the quality of medical care but with getting our Veterans through the door to reach that care. Those problems are both administrative and bureaucratic. Alexander Hamilton said that the true test of a good government is its aptitude and tendency to produce a good administration. That is where VA must go.

Our first challenge is to improve the culture to focus our attention and efforts on offering world-class customer service through all our operations. Our second challenge is increasing access to care and benefits through VA MISSION Act implementation and business transformation, which includes adopting a new electronic health records system, implementing a new appeals process for disagreement on VA claims, and modernizing our human resources, financial management, construction program, and supply systems.

For the purposes of this hearing, I will focus my testimony on our efforts to deliver world-class customer service while implementing the historic VA MISSION Act.

### **Customer Service**

My prime objective is customer service. When an eligible Veteran comes to VA, they shouldn't have to hire a team of lawyers to get VA to say yes. It is up to VA to get the Veteran to yes, and that is customer service.

VA receives 140 million phone calls a year. Ten million people contact VA online each month. We have 348 contact centers, hundreds of websites, and dozens of databases. Veterans think of VA as a single entity, but we deliver services in silos, forcing the Veteran to figure out which VA phone number to call, website to search, or office to visit. For many, finding the right office to access the right benefit or service is a fractured, frustrating experience.

Driven by customer feedback, we are integrating VA's digital portals, contact centers, and databases so that Veterans easily find what they need no matter which channel they choose. On Veterans Day, we re-launched our [www.VA.gov](http://www.VA.gov) Website and we are unifying Veteran data, adding customer preferences for electronic correspondence to our new Vet360 database, and integrating the Vet360 profile service with mobile apps. VA has been identified as the "co-lead" of the White House cross-agency priority goal on improving customer service.

These efforts were recently recognized by the nonprofit Partnership for Public Service which honored VA employee Marcella Jacobs and the Digital Service Team during the 17<sup>th</sup> annual Samuel J. Heyman Service to America Medals (Sammies) awards gala in Washington D.C. We are demonstrating that it is possible for Federal agencies to give the American people the online experience they expect and deserve.

Our goal is to make accessing VA services seamless, effective, efficient, and emotionally resonant. The delivery of world-class customer service is my responsibility and the responsibility of all VA employees. When the interactions between VA employees and our Veteran customers in these areas are positive, our Veterans will *trust* and *Choose VA*, for their care, benefits, and memorial services across their lifetime.

Customer service must start with VA employees not talking at each other but with each other across all office barriers and across all compartments. If we don't listen to each other, we won't be able to listen to our Veterans and their families and we won't be able to provide the world-class customer service they deserve. We must be a bottom-up organization, with energy flowing upward from those who are closest to those we are sworn to serve. It is from our dedicated employees that the ideas we carry to Congress, to Veterans Service Organizations, and to America's Veterans will come. Our highest imperative to deliver customer service to our Veterans is to execute the legislation passed by this Congress and signed by President Trump giving Veterans the choice they deserve.

## **Implementing the VA MISSION Act**

The VA MISSION Act is landmark legislation that will fundamentally transform VA health care and improve Veterans benefits and services. To successfully implement this historic legislation, we must engage stakeholders at all levels and be transparent throughout the process. We have established an enterprise program management office reporting to Acting Deputy Secretary Jim Byrne with integrated project teams to implement specific MISSION Act provisions. We are providing recurring updates to Congress, VSO's and others to hear feedback, address concerns and course correct when necessary. Mr. Chairman, it is critical that we deliver a transformed VA health care system that puts Veterans at the center of everything we do.

### **Community Care**

A key provision of the VA MISSION Act is the consolidation of our community care programs into a new Veterans Community Care Program that will be much easier to navigate for Veterans, families, VA employees and community providers. My vision is to keep VA at the center of any Veteran's care to ensure we deliver world-class customer service as Veterans navigate the continuum of care between internal and external providers. This will ensure our Veterans receive the best health care possible, whether delivered in VA facilities or in the community.

Since October 2017, VA has completed approximately 24 million appointments in the community and 58.1 million in our facilities. Veterans may now request an appointment without a referral in numerous clinics including: audiology, optometry, orthotist (braces and splints), prosthetist (prostheses, artificial limbs), women's health, podiatry, nutrition, and wheelchair and amputee services. The average time it took to complete an urgent referral to a VA specialist has decreased from 19.3 days in FY 2014 to 3.2 days in FY 2017 and less than 2 days in FY 2018. This figure continues to improve and is now down to 1.4 days in October of 2018. In FY 2018, VA completed more than 619,000 appointments when compared to the previous fiscal year. The average new patient wait times for an appointment at a VA health care facility were 21.2 days for Primary Care, 22.1 for Specialty Care, and 11.2 for Mental Health services.

VA has also made notable progress in ensuring Veterans receive time-sensitive follow up appointments. Currently 95 percent of all time-sensitive appointments are completed within the provider recommended date. Additionally, all VA Medical Centers and Community Based Outpatient Clinics now provide same-day services in primary care and mental health for Veterans who need them. I have found many Veterans prefer to receive their care at VA facilities and we are increasing access to meet this need.

Upon enactment of the VA MISSION Act, we began developing regulations required to implement the new community care authorities. To ensure continuity of operations, VA extended and expanded its contract with TriWest Healthcare Alliance to ensure access to community care while the next generation of community care network contracts are awarded and implemented.

As part of our new community care program, we are addressing the timeliness and accuracy of payments to providers. We must ensure community providers are paid in a timely manner so they are willing and able to deliver services to our Veterans. To this end, VA is moving away from paper claims and requiring providers to submit electronic claims in most cases through a new claims processing system. This automated electronic Claims Administration and Management System (e-CAMS) uses technology with workflow-based analytics to provide feedback on potential bottlenecks and business performance issues in

our claims process. Additionally, providers will have 180 days to submit claims for reimbursement rather than waiting years to submit them. This will align VA with industry standards and ensure providers are receiving timely payments.

Through the VA MISSION Act, we are establishing a Center for Innovation for Care and Payment to develop new approaches to testing payment and service delivery models to reduce expenditures while preserving or enhancing the quality of VA health care. The center will explore models for incentivizing performance internally and when VA purchases care in the community. With the support of this committee we hope to improve the lives of those we serve by accelerating and scaling VA innovation.

### Eligibility for Community Care

Veterans deserve access to the best health care providers, state-of-art facilities and cutting-edge technology. The VA MISSION Act of 2018 will strengthen VA's ability to deliver the quality care and timely service Veterans have earned. Eligibility for community care will be Veteran-centric and enable VA to deliver care more efficiently. With only specific exceptions, VA will stop paying providers above Medicare rates and will minimize the use of local contractual agreements to further reduce variability in payment rates. Under the new walk-in/urgent care authority, we will ensure that if eligible Veterans have an urgent health care need, they will be able to see a provider quickly. In developing access standards, VA has specifically:

- Discussed access standards with DoD and the Centers for Medicare & Medicaid Services.
- Performed research on industry standards including state insurance and state Medicaid programs.
- Solicited feedback with a notice in the *Federal Register* published June 29, 2018, and hosted public comments on July 13, 2018.

As a guiding principle, I have reviewed DoD's TRICARE standards and continue to promote interoperability of our health care systems. My objective is to ensure Veterans receive care where and when they need it and to ensure VA remains on the leading edge for access and quality of health care.

### Standards for Quality

A study released this year by the RAND Corporation found VA health care generally outperforms the private sector in quality and patient safety, but recommended VA address variations in quality among VA health facilities. The VA MISSION Act will do this and more by requiring VA to establish standards for quality for hospital care, medical services and extended care services delivered by VA and community providers and establish a remediation process for service lines that do not meet those standards.

We are committed to using industry-standard quality measures to compare our performance to that of the community, with consultation from key stakeholders, and to use those comparisons to ensure the best possible outcomes for Veterans. Our commitment to transparency will allow Veterans to compare data across VA and community care and make informed decisions when selecting a provider. In developing quality standards, VA has:

- Assessed existing industry quality standards including those used by DoD, the Department of Health and Human Services, and the Centers for Medicare & Medicaid Services.

- Solicited feedback with a notice in the *Federal Register* published August 24, 2018, and hosted public comments on September 24, 2018.
- Hosted several Veteran Insight Panels, which are online focus groups, to hear directly from Veterans about their experiences and how we can bridge the gap between VA and community care specific to quality.

We recognize the high level of interest from Veterans, community providers, and others in VA about the access standards and standards for quality and I am deeply committed to ensuring an open, transparent process for implementing the VA MISSION Act. We have developed communications products and tools, including a public-facing Website, talking points or key messages, frequently asked questions, fact sheets, and handouts covering various provisions of the law.

In May 2018, we began hosting monthly webinars for community providers to provide updates and keep them informed of changes to the community care program. In September, we participated in a collaborative webcast with the Association of American Medical Colleges and presented an update on the VA MISSION Act community care requirements. In November, we began hosting listening sessions in VA's four community care regions to hear directly from Veterans, employees and other stakeholders. Our goal is to host 20 listening sessions with stakeholders by the end of the calendar year. It is critical that we continue to engage stakeholders as we implement this historic legislation.

### Caregivers Expansion

As VA expands the Program of Comprehensive Assistance for Family Caregivers, we recognize the incredible sacrifice of families who have cared for a loved one injured in the line of duty. We expect tremendous interest in the program's expansion and anticipate a significant increase in applicants. We are also addressing issues identified in the August 2018 Office of Inspector General's report on the program.

VA has engaged with key stakeholders including VSOs, members of the public, and House Veterans Affairs' Committee round tables. Several consistent themes emerged during these engagements. In expanding the program, VA must ensure:

- Eligibility determinations are Veteran and caregiver-centric, easy to understand and transparent.
- Participation is targeted to those Veterans who will benefit the most.
- Program requirements are less burdensome for caregivers and Veterans (e.g., a different track for the catastrophically injured).

While the timeline for expanding the program to all eligible Veterans is still under development, VA must develop and implement a new information technology system to support administrative and record-keeping needs. We are working with a developer on a new IT system known as the Caregiver Tool, or CareT, to manage the new requirements. Once we have fully fielded the new system, we will develop and implement the functionality required by the MISSION Act. We need to ensure high system reliability before enrolling a new Caregivers cohort.

VA supports and recognizes the sacrifice and value of Veterans' family caregivers not only through this program but through its first Federal Advisory Committee for Veterans Families, Caregiver and Survivors and its new Center of Excellence for Veteran Caregiver Research. Caregivers and Veterans can learn about the full range of available

support and programs by visiting [www.caregiver.va.gov](http://www.caregiver.va.gov) or by contacting the Caregiver Support Line toll-free at 1-855-260-3274.

### Hiring and Vacancies

The VA MISSION Act gives us greater ability to recruit and retain the best medical providers through improvements to the education debt-reduction program and improved flexibility for bonuses for recruitment, relocation and retention. VA will also pilot a scholarship program for Veterans to get medical training in return for serving in a VA hospital or clinic for four years. VA is keeping pace with both normal retirements and job changes and has added nearly 14,000 more employees onboard since January 1, 2017 (3.8 percent growth), which is keeping pace with VA's patient base (enrollees) growth of 1.4 percent during the same period.

As required under the law, we are posting quarterly vacancy data online. Our recent data shows as of September 30, 2018, VA had 46,522 overall vacancies and a total of 377,210 employees onboard for an 11 percent vacancy rate. Indeed, most large organizations will have what appears to be many vacancies due to normal retirements and job changes. VA's vacancy rate of 11 percent is a normal part of doing business and reflects the historical annual 9 percent turnover rate and a 2 to 3 percent growth rate.

VA vacancy rates mirror those of the health care industry. There is a national shortage of healthcare professionals, especially for physicians and nurses. VA remains fully engaged in a fiercely competitive clinical recruitment market and has increased its number of clinical providers including hard-to-recruit-and-retain physicians such as psychiatrists. Additional steps to attract qualified candidates include:

- Mental Health and other targeted hiring initiatives.
- Leveraging flexible pay ranges resulting in competitive physician salaries.
- Utilization of recruitment/relocation and retention incentives.
- Utilization of the Education Debt Reduction Program for recruitment and retention of hard-to-recruit/retain healthcare providers, including the new higher award amounts authorized by the MISSION Act up to \$200,000 over a five-year period.
- Targeted nationwide recruitment advertising and marketing.
- The "Take A Closer Look at VA" trainee outreach recruitment program.
- Expanding opportunities for telemedicine providers.
- DoD/VA effort to recruit transitioning service members.

### Asset and Infrastructure Review (AIR) Commission

The VA MISSION Act provides an opportunity for VA to assess our health care infrastructure footprints and develop recommendations for modernization and realignment of facilities to meet the demand for VA's services both today and for years to come. Our Asset and Infrastructure Review assessment and recommendations will be data-driven with input and feedback from our Veterans, employees, VSO's, local communities, and other key stakeholders throughout the process to ensure VA's recommendations are robust and fair.

The AIR process will be informed by the assessment of 96 local market areas to identify availability and gaps in furnishing health care services to veterans. Each local assessment will consider short and long-term demand; VA staffing capacity; VA infrastructure capacity; VA's facilities conditions and future costs to maintain or modernize them, and non-VA health care capacity. We will provide robust recommendations for

modernizing and realigning the Veterans Health Administration facility footprints to ensure the finest integrated care delivery to our Veterans.

Given the oversight and approval process outlined under the MISSION Act for the Asset and Infrastructure Review, VA is confident that the AIR Commission, the President, and ultimately, Congress will concur and approve our recommendations.

### **Conclusion**

I would like to again thank Congress for passing VA's FY 2019 funding bill. Starting the fiscal year with our full year's appropriations in place is extremely important as we implement the laws Congress has passed.

As I mentioned, we have instituted strong governance and management processes that will facilitate successful implementation of the VA MISSION Act. This will be a long journey that will not be accomplished overnight. I am committed to providing you with regular updates on our progress and the challenges that arise.

As we look to the next few years and full implementation of the new Veterans Community Care Program and an expanded Caregivers Program, VA will need to address the necessary funding requirements to meet the requirements of the law. We are embarking on the most comprehensive improvements to Veterans care and benefits since World War II. Our transformation will require fiscally responsible use of additional resources and for us to streamline and improve our internal operations to become as efficient as possible.

I look forward to working with you and this Committee and appreciate your many courtesies to me. I am also eager to continue building on our reform agenda. The mission of this Committee is clear—you help remind all Americans why they sleep soundly at night because of those who sacrificed in uniform. There is no more noble mission in all of government.

Thank you.