STATEMENT FOR THE RECORD

MILITARY OFFICERS ASSOCIATION OF AMERICA

On

"Pending Legislation"

115th Congress

SENATE COMMITTEE on VETERANS' AFFAIRS

July 11, 2017

CHAIRMAN ISAKSON, RANKING MEMBER TESTER, and Members of the Committee, the Military Officers Association of America (MOAA) is pleased to present its views on pending legislation under consideration by the Committee.

MOAA does not receive any grants or contracts from the federal government.

EXECUTIVE SUMMARY

On behalf of the Military Officers Association of America, the largest military service organization representing the seven uniformed services, including active duty and Guard and Reserve members, retirees, veterans, and survivors and their families, MOAA is grateful to the committee for holding this important hearing and for your tireless commitment to supporting our nation's servicemembers and veterans and their families.

This is a critical time for Secretary Shulkin as he leads the Department of Veterans Affairs (VA) in a massive effort to transformation the agency for the 21st Century during a fiscally challenging time. MOAA believes many of the bills under consideration today will provide the secretary additional tools and resources he needs to further transform the agency's health and benefits systems and thus improve the health and well-being of our veterans and their families. MOAA looks forward to working with the members and staff to strengthen and improve the legislation before the committee to ensure laws can be enacted this year.

MOAA fully supports the following select bills:

- ***S. 115, Veterans Transplant Coverage Act***—would authorize the secretary to provide expanded donor care and services for veterans in need of a transplant procedure, before and after conducting the transplant procedure, to live donors not eligible for VA health care, in either a VA or non-VA medical facility
- ***S. 426, Grow Our Own Directive: Physician Assistant Employment and Education Act of 2017***—would increase educational assistance provided by the VA for education and training, establish pay grades, and require competitive pay for physician assistants of the department
- ***S. 683, Keeping Our Commitment to Disabled Veterans Act of 2017***—would extend the requirement to provide nursing home care to certain veterans who have a service connected disability rated at 70 percent or greater or need nursing home care for their service-connected conditions, reauthorizing the current law which will expire on December 31, 2017
- ***S. 833, Servicemembers and Veterans Empowerment and Support Act of 2017***—would expand health care and benefits for victims of military sexual trauma and require the secretary to accept the diagnosis by a mental health professional with satisfactory lay or other evidence of such trauma as sufficient proof of service-connection
- ***S. 946, Veterans Treatment Court Improvement Act***—would require the secretary to hire additional veterans justice outreach specialists to provide treatment court services to veterans involved in the justice system

- ***S. 1261, Veterans Emergency Room Relief Act***—would require the secretary to pay the reasonable costs of urgent care provided to certain veterans and would establish cost-sharing amounts for veterans receiving care at an emergency room of the VA

Discussion Draft Bills

Due to the urgency in replacing and reforming the Veterans Choice and VA community care programs, MOAA focuses our comments today on two discussion draft bills, the *Veterans Choice Act of 2017* and *Improving Veterans Access to Community Care Act of 2017*, as these are paramount issues requiring immediate attention by Congress this fiscal year.

MOAA thanks the chairman and ranking member for their leadership and tireless efforts over the last three years to improve access and quality of medical care and services in the VA Health Administration (VHA) through ongoing hearings, roundtables, and collaboration with Veteran Service Organizations (VSOs) like MOAA, and the department to ensure the long term viability of the system so veterans get the best care possible.

While MOAA supports both bills in principle, we offer the following comments and recommendations to build upon the significant work put forth in this legislation as well as what has been learned from the work of VA Commission on Care and the lessons learned from implementing Choice, and the earlier PC3 (Patient-Centered Community Care) and pilot Project ARCH (Access Received Closer to Home) non-VA or private provider programs.

General Comments

- **Veterans Choice Act of 2017**—would permit all veterans enrolled in the VA health system to receive health care from non-department health care providers
  - **Attributes**
    - Expands access to care in the community and establishes an integrated network of care, combining VA and non-VA resources
    - Allows veterans the choice whether to receive care in VA or in the community
    - Requires VA to assign a dedicated primary care provider to each veteran, but veterans have the option to choose a provider
    - Seeks to expedite establishing a more robust community care program, recognizing Choice and existing community care programs are insufficient to meet current and future health care demand
    - Expands the VA provider network to include participating providers in the Medicare program, Department of Defense (DoD), Indian Health Service, and other federally-qualified health professionals
    - Permits VA to pay the same rates for care under the Medicare program to contract providers and adjust rates for veterans residing in highly rural areas
    - Directs VA to be the primary payer for non-VA care and restricts providers from seeking payment from veterans receiving care
    - Establishes requirements for prompt payment to providers and timelines for claims processing and reimbursements
    - Allows VA to enter into agreements with State homes to provide nursing home care, removing current restrictive federal contracting requirements

        - Requires the VA to establish and update annually a strategic plan that will forecast health care capacity, capabilities and demand across the system
        - Establishes requirements for procurement of an off-the-shelf electronic health record (EHR) platform that conforms to standards of interoperability with the DoD's EHR and is accessible by multiple providers
    - **Concerns**
        - Significant costs associated with permitting all enrolled veterans to receive health care from non-VA providers
        - Must ensure contracted health care organizations or third-party administrators do not assume critical core responsibilities which may erode VA's ability to oversee and effectively manage customer service and coordination of veterans care
        - Quality of care not listed as a reporting requirement for monitoring care furnished through provider networks
        - Provisions are numerous and highly complex requiring VA to have the necessary funding, resources, and flexibility to successfully implement
        - Reporting requirements may be burdensome and/or impractical in some cases for VA to meet some deadlines (e.g., "Not later than 120 days after the enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a strategic plan that specifies a 5-year forecast…"[Page 40, (3)(b)(1))
- **Improving Veterans Access to Community Care Act of 2017**—would establish the Veterans Community Care Program in the VA to improve health care provided to veterans by the department
    - **Attributes**
        - Expands access to care in the community and establishes an integrated network of care, combining VA and non-VA care
        - Allows veterans the choice whether to receive care in VA or in the community
        - Requires VA to coordinate non-VA care
        - Establishes clinical necessity as one of several factors, including wait time, driving distance, unusual or excessive burden for accessing care, availability of care, and other conditions for determining eligibility
        - Establishes an appeals process for disagreements between the veteran and the VA provider
        - Expands the VA provider network to include participating providers in the Medicare program, DoD, Indian Health Service, and other federally-qualified health professionals
        - Permits VA to negotiate rates for furnishing care as well as to pay the same rates under the Medicare program, to incorporate value-based reimbursement models to promote high quality care, and to adjust rates for veterans residing in highly rural areas
        - Requires VA to provide information to a veteran about availability of care and services at the time of enrollment and at the time eligible, or when the veteran may be eligible for hospital or medical care
        - Establishes requirements for prompt payment to providers, timelines and accuracy goals for claims processing and reimbursements

- Seeks to consolidate all VA community care programs, including Choice into a single, consolidated program funded through discretionary medical services funding rather than funding through a combination of mandatory and discretionary accounts as is currently the case
- Requires VA to conduct an analysis of commercially available technology and submit a report to Congress before procuring, designing, or building an electronic interface system for claims processing and reimbursement
- Provides protections for veterans if disability or death resulted from care furnished by a VA network provider
- Directs VA to be the primary payer for non-VA care and restricts providers from seeking payment from veterans receiving care
- Requires VA to establish a system or systems for monitoring quality of care and services furnished by eligible providers in the network
- Allows VA to enter into agreements with State homes to provide nursing home care, removing current restrictive federal contracting requirements

- **Concerns**
  - Significant costs associated with expanding VA network and access to community providers
  - Provisions are numerous and highly complex requiring VA to have the necessary funding, resources, and flexibility to successfully implement
  - Allowing VA to consider multiple factors for determining veteran eligibility for accessing community care (clinical necessity, wait time, driving distance, unusual or excessive burden, availability of care, etc.) adds more complexity in administration and execution, and will likely result in creating more confusion for providers, veterans and VA employees than the current Choice program

Recommendations

Both the *Veterans Choice Act of 2017* and *Improving Veterans Access to Community Care Act of 2017* draft bills have a significant number of provisions which would result in positive improvements to the current health system. However, without the requisite funding, resources and commitment from Congress to support this legislation and/or any reform efforts, including VA's Veterans CARE (Coordinated, Access and Rewarding Experiences) plan will only place additional pressures on an already fiscally constrained system, resulting in further fragmentation of the system, and ultimately limiting veterans' access to care—outcomes opposite from what Congress and VA intends to achieve.

MOAA, like many of our VSO and military service organization colleagues have been working closely with VA, the Commission on Care and Congress to transform VHA and develop a plan to replace Choice and reform and consolidate VA community care programs.

A tremendous amount of progress has been made by the Secretary and his team, and a great deal of recommendations have come out of the hard work of the Commission on Care and the important and thoughtful work of our Independent Budget (IB) partners (Disabled American Veterans, Paralyzed Veterans of America and the Veterans of Foreign Wars) in producing *A Framework for Veterans Health Care Reform* which parallels much of the work the VA has undertaken.

VA is close to submitting its Veterans CARE plan to Congress. MOAA believes VA's plan supports many of the provisions outlined in the two draft discussion bills and includes many other provisions Congress should also consider as part of its deliberations on VA community care and VHA health reform.

Regardless of what legislation is passed or what the system of care will look like in the future, MOAA believe the key elements of a health system veterans and their families and caregivers value most include high quality, accessible, comprehensive, integrated, and veteran-centric—a system that is simple, easy to both understand and navigate, and is seamless, whether care is delivered in-house or in the community.

In a June 28, 2017 letter to the Senate and House Veterans' Affairs Committees, MOAA, along with eight other VSOs urged Congress to not only address the current Choice and community care funding crisis through emergency funding and authorization but to also remain focused on moving beyond the flawed Choice program as soon as practical.

Specifically, MOAA and VSOs recommend Congress:

- ***Work with VSOs, the Secretary and other critical stakeholders to design and implement a new paradigm for veterans' health care built around an integrated network, with a modernized VA serving as the coordinator and primary provider of care, and community providers addressing the remaining gaps in access and services.***
- ***Consolidate all community care programs through a single unified discretionary funding source that includes flexibility and accountability to assure VA can deliver the highest quality of care in the most appropriate clinical settings within the network.***

Further, MOAA recommends Congress:

- ***Preserve VHA's critical missions of care which include clinical, training, research and emergency response, all essential pillars to delivering high quality health care to veterans.***
- ***VA must retain existing special-emphasis resources and specialty care expertise such as spinal cord injury, blind rehabilitation, mental health, prosthetics, etc.***

MOAA thanks the committee for considering this important legislation and for your continued support of our veterans and their families.