



DEPARTMENT OF VETERANS AFFAIRS
Under Secretary for Health
Washington DC 20420

January 19, 2017

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Thank you for your October 27, 2016, letter to the Department of Veterans Affairs (VA) regarding the transition of Veterans from the Veterans Assistance Foundation (VAF). I am responding on behalf of the Department and I apologize for the delay.

We appreciated the opportunity to brief your staff on the issues related to VAF on November 3, 2016. As a follow-up, please find enclosed written responses to each of the questions found in your letter and discussed during the briefing. VA is committed to ensuring that Veterans receive the best and most appropriate level of care. Accordingly, by leveraging the many mechanisms in place, any Veteran requesting assistance will receive all available resources and support. The Tomah VA Health Care for Homeless Veterans Program consists of interdisciplinary team members whose sole responsibility is to address the various needs of homeless Veterans or those at risk of homelessness through a continuum of care model. A "Housing First" foundation has increased awareness, and the addition of prevention efforts, rehabilitation and support services are just a few methods used to facilitate that transition to the community and permanent housing. It is essential that the VA and community partners collaborate to address any needs of our Veterans.

VA is grateful for your continuing support of Veterans and appreciates your efforts to pass legislation enabling VA to provide Veterans with the high-quality care they have earned and deserve. Your focus on ensuring that VA received appropriations for fiscal year 2017 allows the Department to continue serving our Nation's Veterans, their families, and survivors with the confidence, security, and uninterrupted services that a budget for the entire year provides. Further, the inclusion of 18 months of GI Bill relief for those Veterans attending schools that have lost accreditation into H.R. 5985, the Department of Veterans Affairs Expiring Authorities Act of 2016 (Public Law 114-228), will provide necessary assistance as those Veterans navigate this difficult situation. Additionally, thank you for your work on and passage of the West Los Angeles Leasing Act of 2016 (Public Law 114-226), which is a testament to your willingness to continue to address the issue of Veteran homelessness. Finally, VA is appreciative of your work to pass H.R. 5099, the Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016, as well as H.R. 6416, the

The Honorable Ron Johnson

Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016, which includes the flexibility for the federal work period requirement that will allow VA to better recruit and retain medical professionals and authorization for the Department's 2017 major construction program.

While we are appreciative of what you have done, there is still more work we need to do. Veterans are in desperate need of modernization of the claims appeals process. Currently, VA continues to utilize existing resources to improve the timeliness of appeals decisions, but without legislative change, the inefficiencies of the system as it exists today will only result in longer delays for Veterans who deserve better. In direct response to the detrimental effects of this broken system, VA, in close collaboration with Veterans Service Organizations, has proposed the foundational elements of legislation that would simplify the process and make necessary, critical changes, providing most Veterans with an efficient appeals process for years to come. Without legislative action, by 2026, Veterans could be waiting an average of almost 10 years for the resolution of their appeals. Further, this proposed legislation was judged as budget neutral last year by both the Congressional Budget Office and VA. I urge you to consider immediate action on standalone legislation to modernize the appeals system for our Veterans. Bills similar to those introduced in the 114th Congress (H.R. 5083 and S. 3328) would accomplish this objective.

The Department also needs authorization of leases. VA operates the Nation's largest integrated health care system, and we depend on over 1,250 leased medical facilities across the country to do so. These leases are integral to our ability to provide high-quality health care to our patients. Our most recent request includes 24 major medical leases. Authorization of these leases is vital. They establish new points of care, expand existing sites of care, replace expiring leases, and expand VA's research capabilities. Further, these authorizations give us the ability to serve Veterans in locations closer and more convenient to where they live and in newer and improved facilities.

Additionally, VA needs Congress to help consolidate its care in the community programs. As we stated in the Plan to Consolidate Programs of Department of Veterans Affairs to Improve Access to Care, which we submitted to Congress on October 30, 2015, supplementing VA-based care with care in the community will play an integral role in the future of VA medicine. This includes legislative action to allow VA to utilize simpler agreements with private medical providers, as opposed to requiring those community providers, like long-term care facilities, to adhere to the strict requirements of Federal contracting laws. Granting VA permanent provider agreement authority will give us the necessary tools to compete in the market place, allowing the Department to better attract and retain the services of necessary community care providers. We also

Page 3.

The Honorable Ron Johnson

need greater budget flexibility as we continue our transformation. As demands for supplemental care in the community increase, VA needs to be able to utilize appropriated funds for these needs. Currently, there are over 70 line items in VA's budget that dedicate funds to a specific purpose without adequate flexibility to provide the best service to Veterans.

Further, the Department needs legislative action designating VA as the primary payer of Choice. This will ensure that non-VA providers are receiving prompt payment for medical services rendered. Finally, VA requests your support for our efforts to recruit and retain the very best clinical professionals, including special pay authority to help VA recruit and retain the best talent possible to lead our hospitals and health care networks.

Should you have any questions, please have a member of your staff contact Mr. Saki Ververis, Congressional Relations Officer, at (202) 461-7126 or by email at Athanassios.Ververis@va.gov. A similar letter was sent to Senator McCaskill.

Thank you for your continued support of our mission.

Sincerely,

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

David J. Shulkin, M.D.

Enclosure