

**STATEMENT OF
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THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON HEALTH
UNITED STATES HOUSE OF REPRESENTATIVES
ON
"REVIEW OF VA CONTRACT HEALTH CARE PROJECT HERO"
(HEALTHCARE EFFECTIVENESS THROUGH RESOURCE OPTIMIZATION)**

NOVEMBER 19, 2009

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to present The American Legion's views on the Department of Veterans Affairs (VA) contract program, "Project Hero".

In 2007, VA began the Project Hero (Project Healthcare Effectiveness through Resource Optimization) program as a pilot study. This study, at the direction of Congress, required VA to examine and execute health care management strategies. The strategies captured were deemed a success in the private and public sector. The overall purpose of the program was to closely manage health care services purchased by VA. Project Hero, now in its second year of a five-year pilot to increase the quality of care and decrease the cost for fee care, is currently available in three Veterans Integrated Services Networks (8, 20, and 23).

In accordance with Congress' oversight, health care purchased for veterans from the private sector providers must be secured in a cost effective manner that compliments the Veterans Health Administration (VHA) system of care as well as maintain a strong affiliation with medical universities throughout the VA system.

VA's objectives for Project Hero included:

- increase the efficiency of VHA processes associated with purchased care from outside sources;
- reduce growth of costs associated with purchased care;
- implement management systems and processes that foster quality and patient safety;
- make contracted providers virtual, high-quality extensions of VHA;
- control administrative costs and limit administrative growth;
- increase net collections of medical care revenues where applicable; and
- increase enrollee satisfaction with VHA services.

As the Department of Defense (DoD) turns to the Reserve components for additional manpower, the number of veterans residing in rural and highly rural areas has significantly increased. Veterans from Operation Enduring Freedom and Operation Iraqi Freedom are authorized

enrollment in VA's health care delivery system for five years after separation. Clearly, veterans in rural and highly rural areas continue to be underserved. These veterans should not be penalized because of their choice of geographical location. The American Legion urges VA to improve access to quality primary and specialty health care services, using all available means at their disposal, especially for veterans living in rural and highly rural areas.

Fortunately, due to medical advances and rapid transportation, more severely wounded veterans are returning from theater. However, their illnesses and injuries, such as traumatic brain injury (TBI) are more complex. As these current veterans flock to the VA medical care system, so are veterans from other conflicts who believe VA medical care is their best health care option. Some older veterans are just now addressing medical conditions they sustained while on active duty. The American Legion believes VA must maintain the current provider to patient ratio of one to 1100 in order to provide timely access to physicians. We urge VA to advertise via the public media to attract more health care providers.

The American Legion adamantly opposes any effort to increase co-payments or impose an enrollment fee for Priority Groups 7 and 8 veterans to receive VA health care. However, The American Legion strongly supports allowing VA to collect third-party reimbursements from the Centers for Medicare and Medicaid Services for the treatment of allowable, nonservice-connected medical conditions. Chairman Filner has introduced H.R. **3365**, the Medicare VA Reimbursement Act of 2009 that would give VA that authority.

The American Legion concurs with each of the aforementioned objectives, but urges Congress to make certain VA ensures that fee services with contracted providers are comparable to the services and culture that VA has within its medical facilities. We would also encourage that VA and DoD heighten their collaboration to ensure no veteran "slips through the cracks" during their transition from active duty to their respective communities.

The American Legion also supports the continuous efforts of VA to assure adequate access of care is available to all veterans. The American Legion urges that every measure be taken to ensure these advances are communicated and implemented within the most rural and highly rural areas to provide all veterans with timely access to quality health care in the proper settings.

Mr. Chairman and Members of the Subcommittee, The American Legion sincerely appreciates the opportunity to submit testimony and looks forward to working with you and your colleagues on this important matter.

That concludes my written statement and I would welcome any questions you may have.