The American Legion

For God and Country

bulletin

National Veterans Affairs and Rehabilitation Commission
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STATEMENT OF
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THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON HEALTH
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
"REVIEW OF VA CONTRACT HEALTH CARE PROJECT HERO"
(HEALTH CARE EFFECTIVENESS THROUGH RESOURCE OPTIMIZATION)

FEBRUARY 3, 2010

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) health care contract program known as Project HERO. These views are based on quarterly update briefings given to Veterans' Service Organizations (VSOs) by VA as to status of the Project HERO project.

In 2007, VA began the Project HERO (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 four Veterans Integrated Services Networks (VISNs): 8, 16, 20, and 23.

In accordance with congressional 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 maintains 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.

The American Legion is concerned with quality of care, the timeliness of access to care, and patient satisfaction. The stated goals of Project HERO deal with managing the "fee based" health care services. If I may paraphrase, "In order to streamline the process, reduce cost, and insure security of records, of contracted health care." In briefings received by VSOs from VA, these goals seem to be in reach.

The American Legion reiterates the priority need is for quality health care in a timely manner to be provided. Currently, Project HERO sets up appointments with "certified" care givers. It is our opinion that VA should increase its efforts to enforce criteria for the certification of care givers, do follow-up investigations, and conduct training to assure care given by contracted care givers meets the quality of care standards received at a VA facility. This oversight would not only assure quality health care, but it will improve customer satisfaction in the overall process. That is, once care givers are VA "certified" the need for extended review of recommended treatment by VA experts, as is now the case, would not be necessary.

The American Legion recommends that under Project HERO, VA consider mirroring the Private Sector's approval practices for treatment between doctors and insurance companies; allowing veterans to have timely access to quality health care as opposed to waiting for an extensive VA review of the recommended treatment. Since patients would only be sent to "VA approved and certified" commercial facilities for treatment, it would be generally accepted that recommended procedures be allowed and conducted. These treatment procedures should be reviewed after patients are treated. If it is found that excessively expensive or unnecessary treatments have been preformed, the service provider should be charged back or decertified for repeat infractions.

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 significantly increases. 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.

While not originally designed to address rural health care, initial results from the four VISNs in the pilot project indicate that Project HERO process could in fact be an important component to addressing this health care access issue.

The American Legion urges VA to expand access to Project HERO to veterans in other VISNs particularly those VISNs with extensive rural veteran's populations or limited access to VA facilities, such as Alaska and Hawaii. This is to assure that veterans residing in areas with limited access to VA medical facilities are not subjected to insufficient health care. Knowledge and understanding of existing programs by veterans is critical to success. The American Legion urges that every measure be taken to assure 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.

Finally, The American Legion would like to emphasize that this program should not be utilized as a means to control the VA Medical Center's budget by referring veterans to Project HERO resources in order to save on equipment repair or purchases. For example, if the emphasis on cost savings becomes too great, we could see a scenario where an administrator would delay repair or purchase of a piece of equipment, justifying it by utilizing Project HERO health care and thereby enhancing budget numbers. We would like to encourage VA to continue to maintain a health care delivery system which 8 million veterans rely on for their care. It is imperative to note that the Project HERO should not be intended to replace the VA healthcare system.

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.