

AAMC Presentation to the Department of Veterans Affairs Commission on Care

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Tomorrow's Doctors, Tomorrow's Cures®

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American Medical Colleges

Overview

- **Our History Together:** Mutually Beneficial Partnerships Grown out of Crises
 - **Care + Education + Research:** Improves Care for Veterans
 - **Current Challenges:** VA Bureaucracy Impedes Relationships with Affiliates
 - **Academic Medicine Will Continue to Help**
-

First, who we are...

AAMC: Medical Schools, Hospitals, and Physicians Working Together

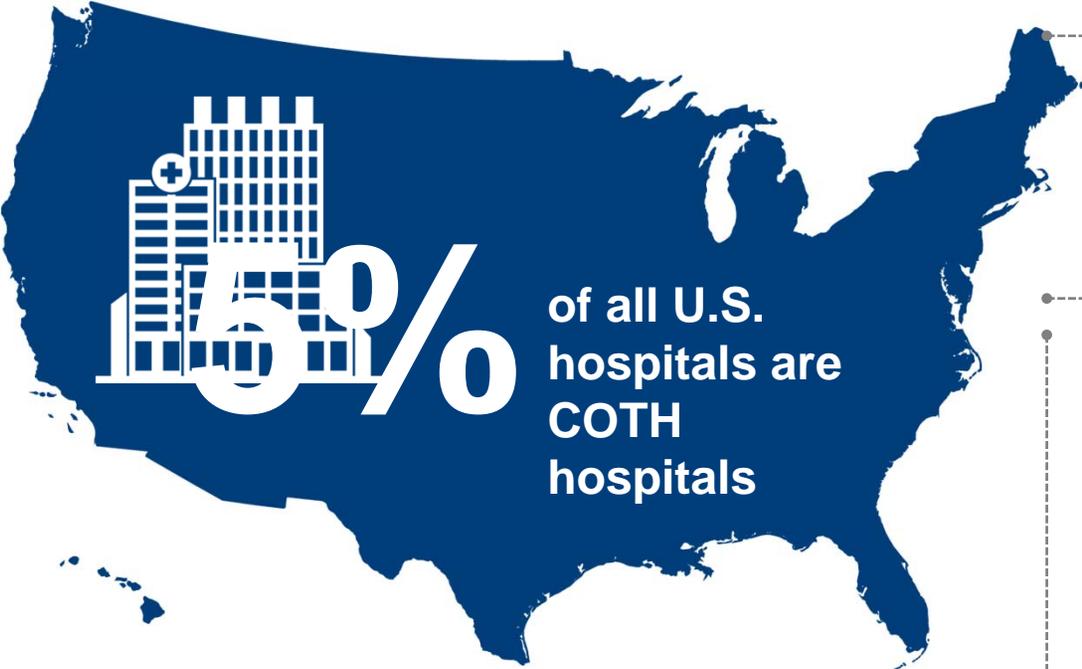
Membership includes:

- **145** U.S. medical schools (MD programs)
 - **95% affiliated with the VA**
- Nearly **400** major teaching hospitals & health systems
 - **51** VA medical centers
- Nearly **90** Academic and scientific societies

Over 300,000 “Voices:”

- **148,000** faculty members
 - Clinical and basic science (research) faculty
 - Staff the physician practice groups and hospitals
- **83,000** medical students
- **115,000** residents

Veterans' Access to Academic Medicine: Patient Care, Research, Training



These teaching hospitals provide critical services often not available elsewhere. **Teaching hospitals operate:**

Teaching hospitals & medical schools receive :
50+% 
of NIH Extramural Research Awards

AAMC hospitals provide training to:
74% 
of all residents

- 23%** of all hospital care
- 20%** of all Medicare In-patient days
- 24%** of all Medicaid in-patient days
- 37%** of charity care

Source: Table G5, Inpatient and Outpatient Operations Data Fiscal Year 2012 Data, AAMC Data Book, April 2014



Academic Medicine and VA: A Shared Commitment to Education, Research, Care

- Both are indispensable training centers for the nation's future health care workforce
- Both are indispensable labs of innovation in biomedical and health services research
- Both are centers of clinical care devoted to all patients, including the most challenging
- Both share a commitment to health equity for all; not the least among which are veterans

“To care for him who shall have borne the battle ...” – Abraham Lincoln

Our History Together:

Mutually Beneficial Partnerships Borne out of Crises

Our History Together: a “Win-Win”

A Model Private/Public Partnership

1946: VA Policy Memorandum #2

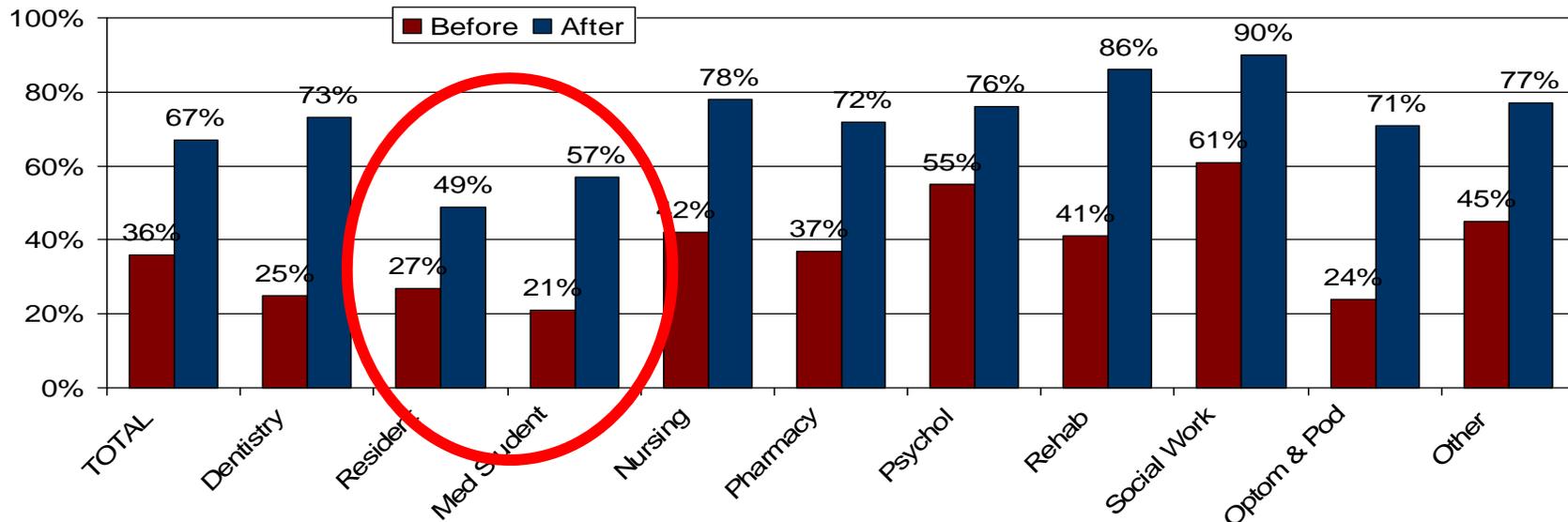
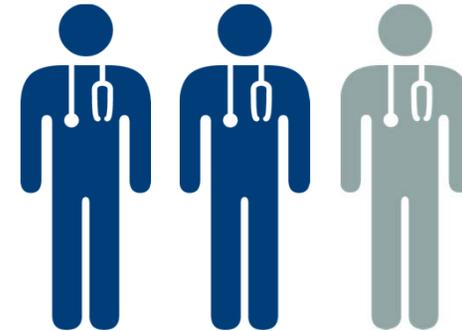
- Established framework for academic medicine and VA
- Produced affiliations with medical schools

Today: 450+ med school, teaching hospital affiliations

- VA = nation’s largest trainer of physicians
- VA sponsors about **10%** of all trainee positions in US
- Over 22,000 students, 41,000 residents in 2014
- 70% of VA physicians have a faculty appointment

Our History Together: a “Win-Win”

2 out of every 3 physicians rotate through the VA during school/training



VA trainees are nearly **2X** as likely to work at the VA after

9 Source: VA Learners' Perception Survey

Academic Medicine Benefits Veterans in Several Ways

Vets = special population, with in many cases special medical and psycho-social needs

AMCs provide unique set of essential services

- Care for a disproportionate share of special populations
- Maintain critical standby capacity – burn units, level 1 trauma centers, ICUs
- Bring the latest results of research to the bedside = cutting edge care
- Direct the overall training of the future medical workforce, including VA

Our History Together: Mutually Beneficial Partnerships Borne Out of Crises

Post WWII: 16 million returning vets needed care; VA needed to train, hire additional physicians rapidly

- Academic medicine partnered w/ VA to close gap

Today's Crisis: Huge shortage of VA physicians one of the reasons for prolonged wait times

- Shortage of both primary and specialty physicians
- Biggest shortage = specialists; 2/3 of 7/20/15 VA physician vacancies
- Vacancies in VA leadership: 45% of network directors, 25% of medical center leaders

Our History Together: Mutually Beneficial Partnerships Borne Out of Crises

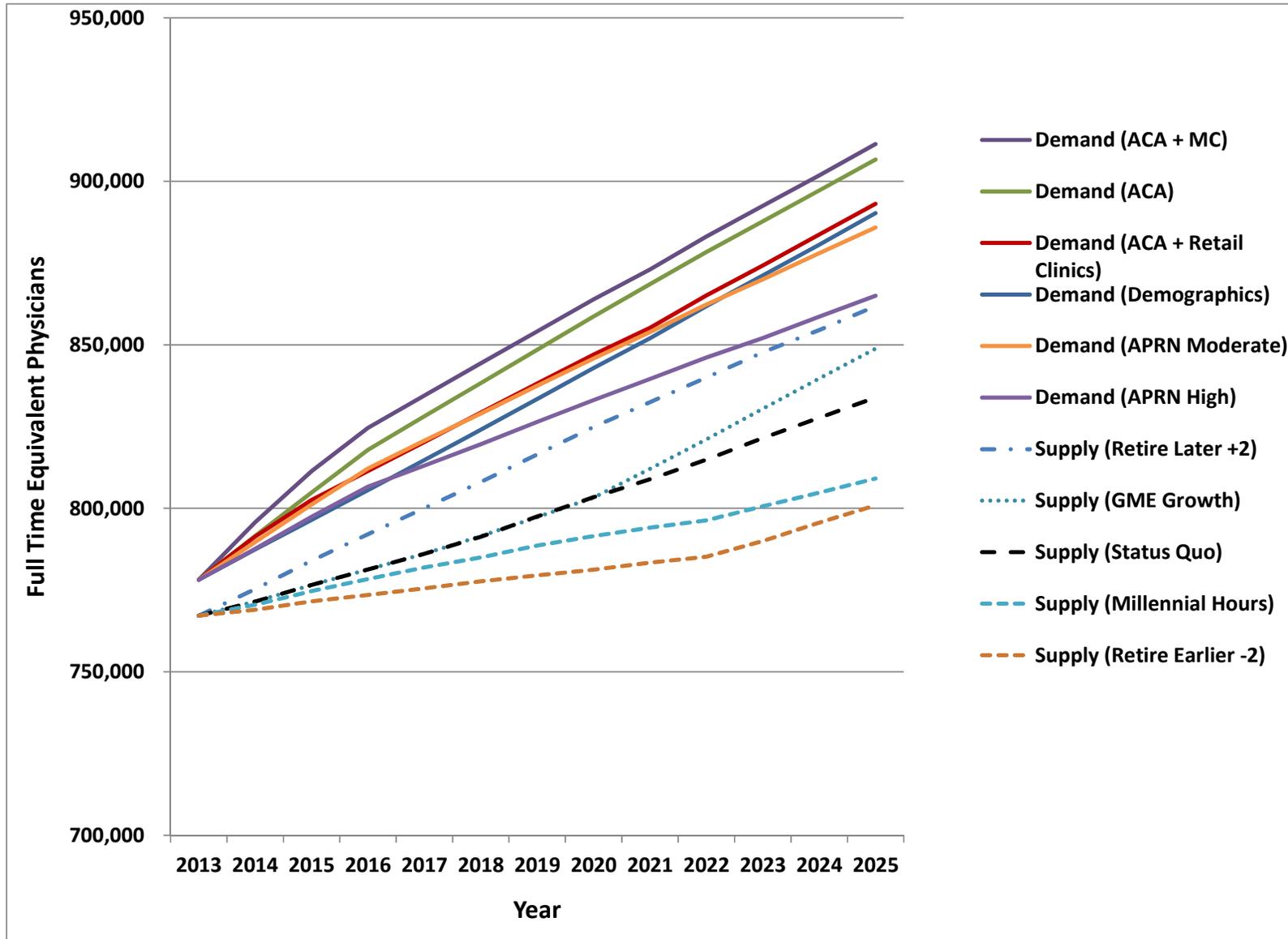
Today's crisis: VA physician shortage mirrors nationwide physician shortage

New Projections: AAMC commissioned national physician workforce projections under multiple scenarios

- Regardless of scenario, shortage of physicians projected
- Total physician shortages range from 46,000 to 90,000 docs by 2025
- Biggest projected shortages in surgical specialists

VA physician shortage is the canary in the coal mine – a harbinger of what may lie ahead for the nation

Supply Versus Demand: *All Physicians*



In Sum: *New, National Physician Workforce Projections for 2025*

Primary Care: 12,500 – 31,100 shortage

Specialty Care: 28,200 – 63,700* shortage

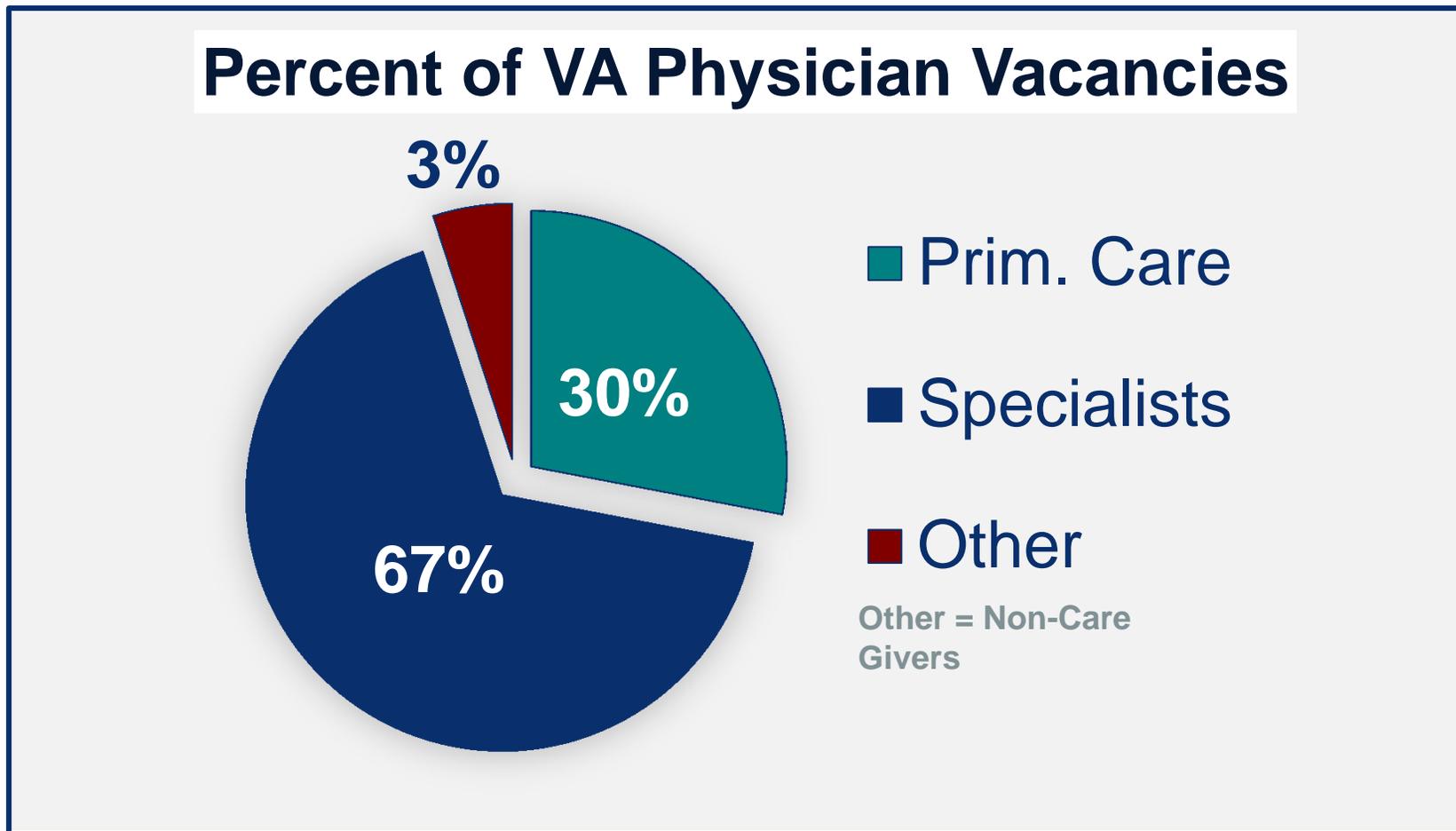
- Med specialists – 5,100 – 12,300
- Surg specialists – 23,100 – 31,600
- Other specialists – 2,400 – 20,200

All Physicians: 46,100 – 90,400* shortage

Projections to be updated annually

* Projections don't add up because of microsimulation model used

Example: In July 2015, 67% of VA Physician Vacancies = Specialists



Source: AAMC Analysis of Job Postings from VA Physician Careers Website, as of July 2015

<http://www.vacareers.va.gov/careers/physicians/index.asp>

Current Challenges

VA Bureaucracy Impedes Relationships with Affiliates

Current Challenges Make It Harder for Academic Medicine to Help

Academic Medicine's Response to New VA Crisis

In 2014, 161 AAMC member institutions announced they're ready to help VA close gap

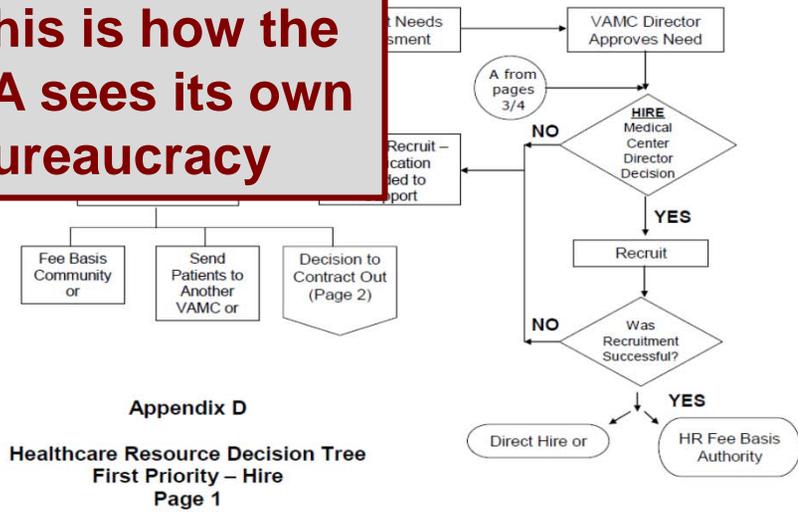
- Teaching hospitals
- Medical schools
- Faculty practice plans

But challenges impede their ability to help

- Contracting
- VA Choice
- Affiliations

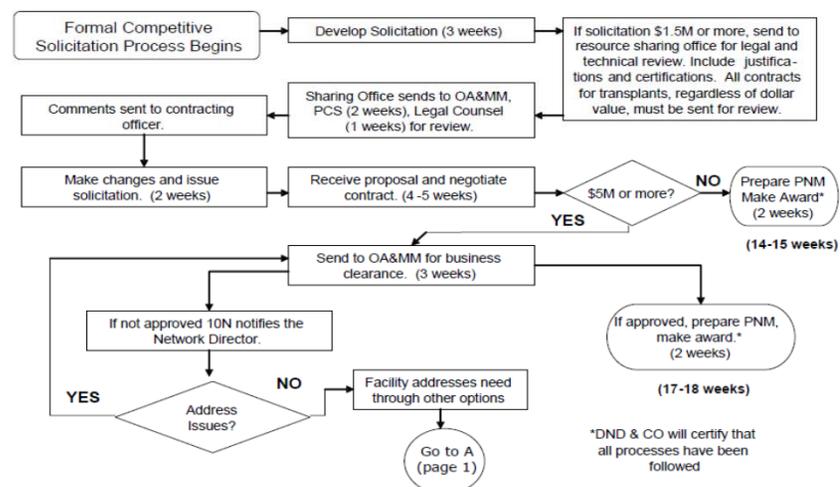
Current Challenges Make It Harder for Academic Medicine to Help: Contracting

This is how the VA sees its own bureaucracy

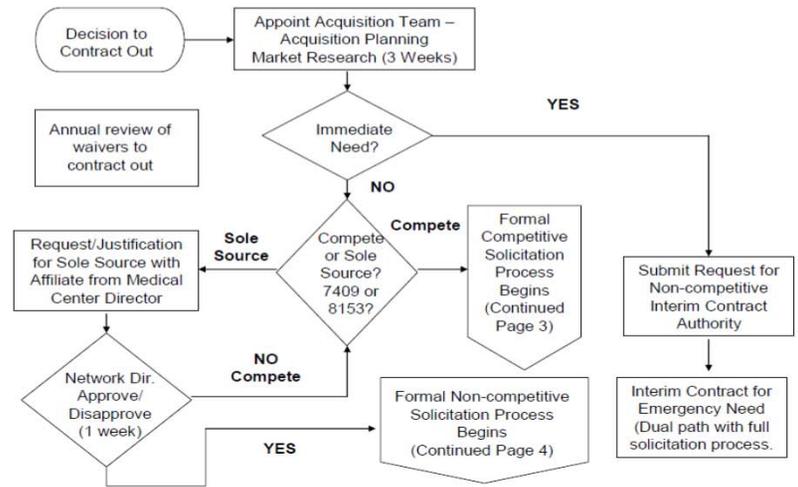


Appendix D
Healthcare Resource Decision Tree
First Priority – Hire
Page 1

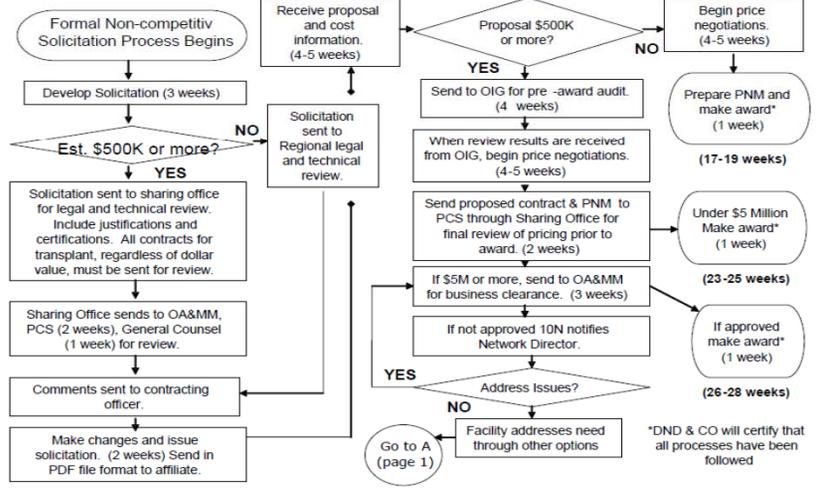
Appendix D, Page 3 – Healthcare Resource Decision Tree
Formal Competitive Solicitation Process



Appendix D, Page 2
Healthcare Resource Decision Tree – Decision to Contract Out



Appendix – Page 4 – Healthcare Resource Decision Tree
Formal Non-competitive Solicitation Process



Current Challenges Make It Harder for Academic Medicine to Help: Contracting

Sole-source affiliate contracting ensures value

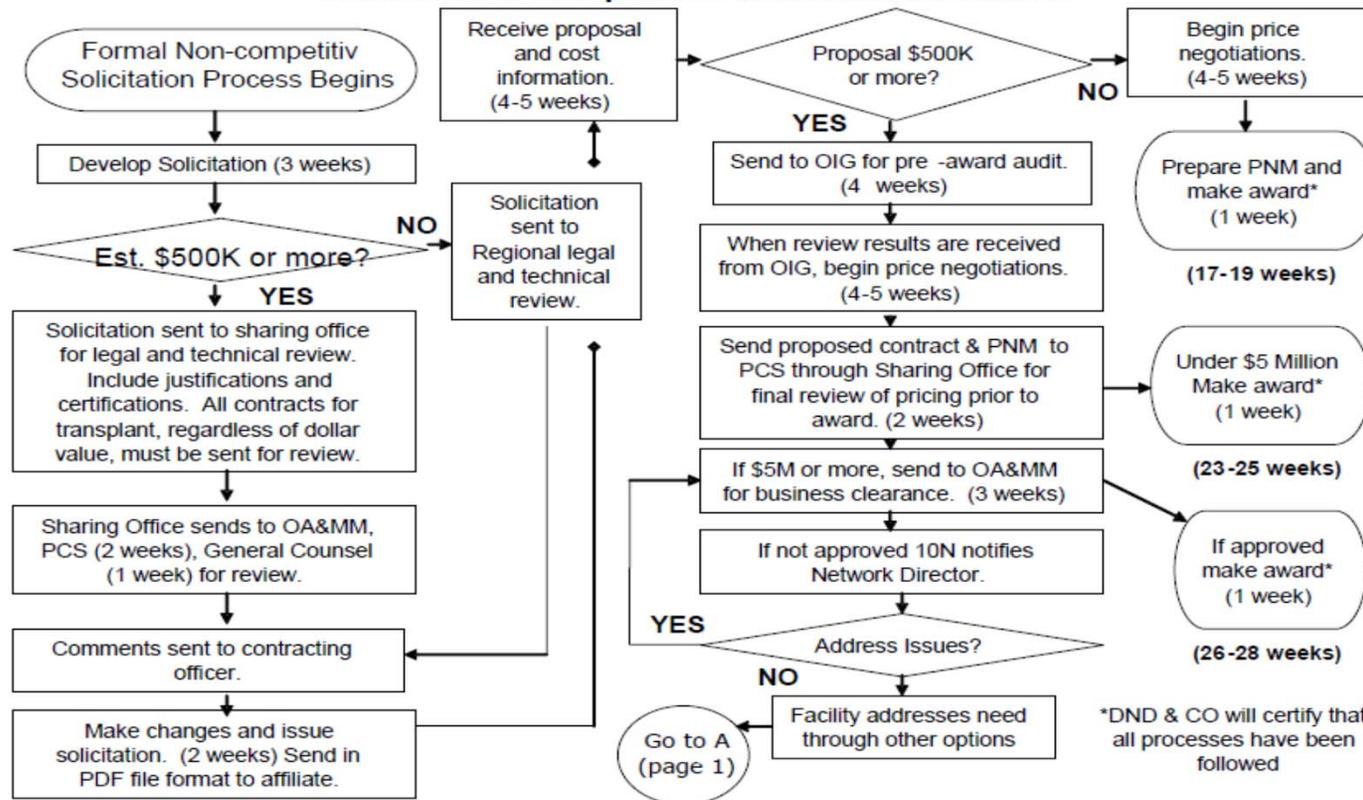
- VA patients' access to AMC clinical services
- Patients for supervised med ed students, trainees
- Reinforcement of academic partnerships

Need to reduce regulatory, bureaucratic burden

- Reduce contract officer turnover / improve training
- Use templates to streamline contracting
- **Legislation to remove/raise \$500,000+ OIG pre-award audit**

Current Challenges Make It Harder for Academic Medicine to Help: Contracting

Appendix – Page 4 – Healthcare Resource Decision Tree
Formal Non-competitive Solicitation Process



- Contracting with trusted affiliates takes longer
- \$500,000+ audit nearly doubles approval time

Current Challenges Make It Harder for Academic Medicine to Help: Contracting

GAO (Oct, 2013, & June, 2015):

- “VA contracting officers and their representatives lack training in contracting for clinical services”

The Bottom Line:

- Contracting with academic medicine is different from buying other goods, services
- It requires special consideration
- And it requires streamlining the bureaucracy

VA Plan to Consolidate Community Care Is a Positive Direction for VA Choice

Academic Affiliates part of VA “Core Network”

- Treated as a direct extension of VA care

VA Care Coordination

- Eliminate Third Party Administrators “middle man”
- TPAs had incentive to make referrals to PC3 providers in VA Choice
- TPA made referrals to providers who then refer to academic medical center

VA Plan to Consolidate Community Care Is a Positive Direction for VA Choice

Improve VA Choice enrollment

- Inability to enroll “group” was a major hurdle
- Eliminate inconsistencies between TPAs

Accept AMC credentialing of faculty

- Eliminates duplication of effort at trusted source

Standardized regional fee schedule

- Medicare rates, recognizing the more complex care at academic medical centers
- Eliminate conflicting rates under PC3 program

Current Challenges Make It Harder for Academic Medicine to Help: Affiliations

Medicare GME caps block VA GME expansions

- Unless caps lifted, VA can't expand slots despite authority for 1,500 increase in VA Choice
- “DOCs for Veterans Act” (S. 1676, H.R. 3755)

Joint ventures involving space, equipment, staff

- Barriers to joint VA, AMC ventures due to lack of VA authority
- “Enhanced Veterans Healthcare Act” (H.R. 3879)

Revise “non-negotiable” affiliation agreements to include hospitals that sponsor GME

Current Challenges Make It Harder for Academic Medicine to Help: Affiliations

VA leaders' appointment as AMC faculty should not constitute conflict of interest in contracting

- Complicates contracting between VA, AMC

Current numerous VAMC leadership gaps

- Intergovernmental Personnel Act agreements = short-term solution for AMC faculty to serve

Critical for VA leadership to fully understand AMCs' three-fold mission

- Local consultation with affiliate when hiring
- National Academic Affiliations Council

Four Underlying Considerations

Underlying Each Issue Raised Are Four Convictions We Hold:

- AMCs enjoy reputations as best in the world precisely because of their triple missions
- VA and AMC triple missions are fully integrated – to separate them is to jeopardize veteran care
- The more VA can enhance its relationships with AMCs, the more effective VA will be
- VA's own research, education, patient care need additional investments & resources

A Sample of VA Innovations with Academic Medicine

SUCCESS REPORTED IN LIVER TRANSPLANT

DENVER, May 11 (AP)—The first successful surgical transplant of a human liver was disclosed by surgeons here tonight.

Two teams of doctors accomplished the feat in a six-hour operation at Veterans Administration Hospital last Sunday. The patient, William Grigsby, 47 years old, of Denver, is said by surgeons to be responding well, showing all signs of recovery after the first, critical week, and that the operation is apparently a success.

Denver County jail, was dying of a malignant tumor when the surgery was proposed to him, a hospital official said. The healthy liver was taken from another V.A. hospital patient minutes after he died of a brain tumor.

Only once before has a liver transplant been known to have been attempted between humans. That was at the same hospital here, two months ago. The patient died.

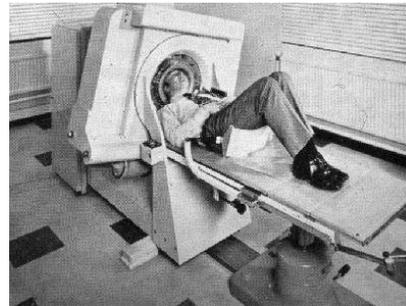
Spokesmen said the transplant, if successful, would open up a new area of treatment to previously incurable diseases.

The New York Times
Published May 12, 1963
Copyright © The New York Times

First Liver Transplant



7 Lasker Awards



CT Scanner



3 Nobel Prizes



Artificial Kidney



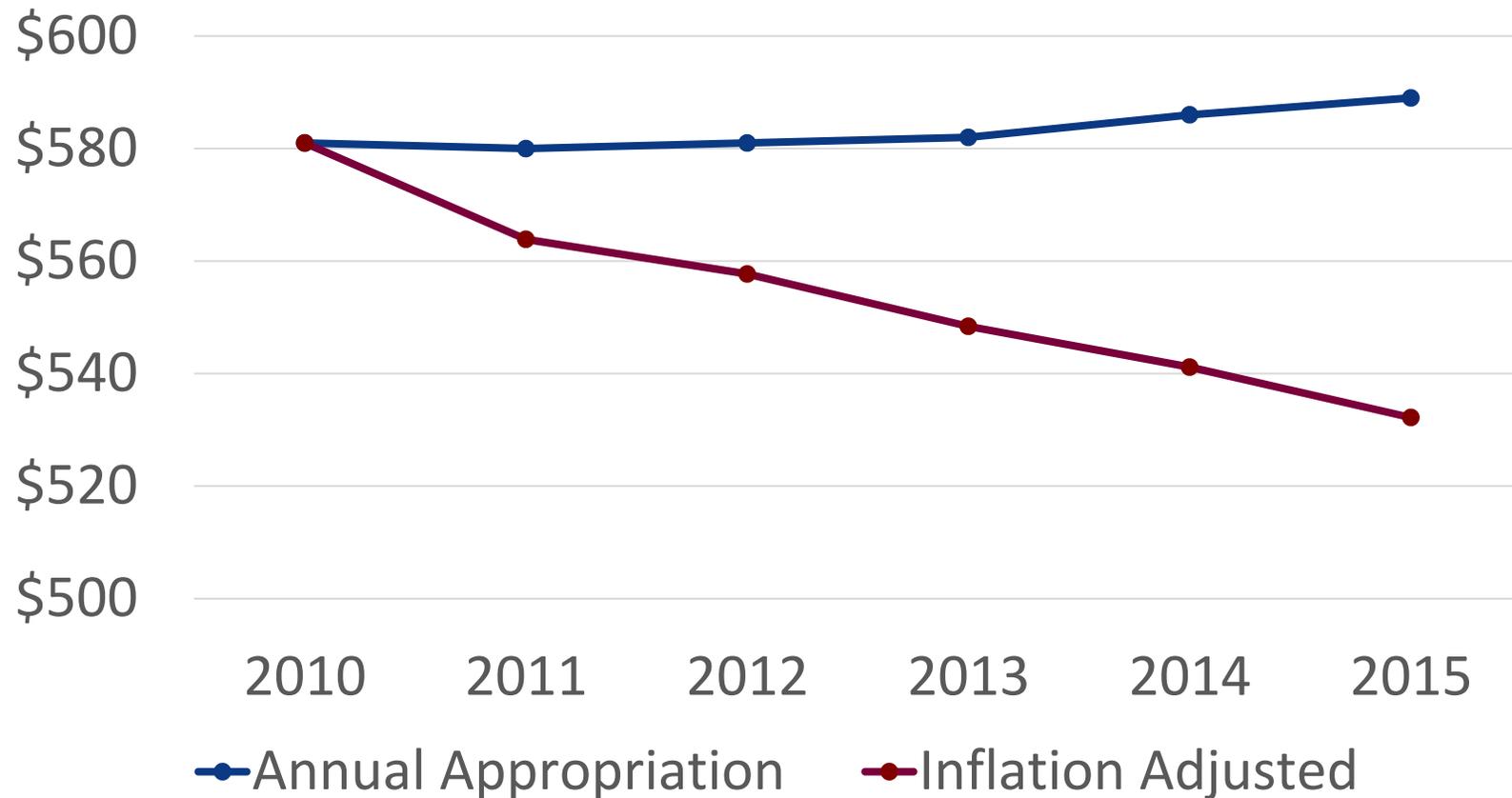
Cardiac Pacemaker



Nicotine Patches

VA Research Appropriation Fails to Keep Pace with Biomedical Inflation

(\$ in millions)



Source: National Institutes of Health (NIH) Biomedical Research and Development Price Index (BRDPI)

<https://officeofbudget.od.nih.gov/gbipriceindexes.html>

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