

# **COMMISSION ON CARE**

## **MEETING MINUTES FOR MARCH 21–23, 2016**

The Commission on Care convened its meeting on March 21–23, 2016, at the 20 F Street NW Conference Center, 20 F Street, NW, in Washington, DC.

### **Commissioners Present:**

Nancy M. Schlichting – Chairperson  
Toby M. Cosgrove – Vice Chairperson  
Michael A. Blecker  
David P. Blom  
David W. Gorman  
Thomas E. Harvey  
Stewart M. Hickey  
Joyce M. Johnson  
Ikram U. Khan  
Phillip J. Longman  
Lucretia M. McClenney  
Darin S. Selnick  
Martin R. Steele  
Charlene M. Taylor  
Marshall W. Webster

### **Commission on Care Staff Identified:**

Susan Webman – Executive Director  
John Goodrich – Designated Federal Officer  
Beth Engiles – Program Analyst  
Sherrie Hans – Program Analyst  
Ralph Ibsen – Program Analyst  
Wendy LaRue – Staff Writer  
Gideon Lukens – Staff Economist  
Osita Osagbue – Program Analyst  
Jamie Taber – Staff Economist

### **Presenters:**

Rep. Jeff Miller – Chairman, House Committee on Veterans' Affairs  
Rep. Beto O'Rourke – Member, House Committee on Veterans' Affairs  
David Shulkin – Under Secretary for Health, Department of Veterans Affairs  
Barbara Manning – Office of Policy and Planning, Veterans Health Administration (VHA)  
Merideth Randles – Milliman, Inc.  
Lyn Stoesen – Office of Policy and Planning, VHA

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**The Commission on Care meeting opened at 12:55 p.m.**

## **Opening Remarks**

Nancy Schlichting (Chairperson) opened the meeting and welcomed everyone present.

## **Conversation with the Chairman of the House Committee on Veterans' Affairs**

Congressman Jeff Miller provided the Commission with an overview of the House Committee on Veterans Affairs' work on reforming Veterans Health Administration (VHA) health care. From the time the Phoenix VA scandal broke in 2014, the Committee has worked to uncover systemic issues within the VHA system. The problems included delays in care, bloated construction projects, questionable IT programs, and lengthy appointment backlogs, and were considerable, cultural, and deeply entrenched. These issues, alongside VHA's greatly expanded budget, have shown that the current fiscal path is not sustainable, and that reform is necessary.

To address these problems and help chart the future of the VHA, the Congress created the Commission on Care. The Commission was tasked with the goals of finding out how the country can best support its veterans in the next 20 years, what form the health care system should take, and how it can be sustained over the long haul. Rep. Miller provided four key cornerstones on which the Commission should frame its work:

- Addressing eligibility requirements for VHA health care
- Making the VHA system veteran-centric
- Solving VHA's real property concerns
- Increasing VHA accountability

Rep. Miller hopes to spend his last year in Congress working with the Commission on defining a true vision for VA reform, and taking the bold steps necessary to transform the VA health care system into one that exemplifies high-quality care. Rep. Miller highlighted the need for the Commission to take the opinions of veterans' groups into account when addressing its work saying, "I'm telling you, one of the groups that's going to play the biggest role in all of this is the veterans service organizations."

The Commission discussed the House Committee on Veterans' Affairs' work and posed questions to Rep. Miller. Items discussed included:

- The management structure of VA and the challenges it presents in running a national health care system
- The steps necessary for bold reforms of VA, both from Congress and the veterans service organizations (VSOs)
- The strengths of the VHA in implementing veteran-centric care
- The future structure of the VHA and its relationship with private health care
- Racial and ethnic disparities that exist in the veteran population and VHA efforts to combat them
- Concerns about veteran integration with society and the role of the community in veterans' health care
- How the political environment surrounding VHA affects its ability to care for veterans

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## **Facilitated Conversation on Veterans Health Care**

Chairperson Schlichting led a facilitated discussion about a strawman document and refining the Commission's vision. Items discussed included:

- The balance between narrow recommendations for improving VHA care and large-scale strategic goals
- How VHA can maximize health care quality while minimizing cost
- What role purchased care should play in the future of VHA health care and how it will be funded and coordinated
- The role coordination of care plays in health care
- The eligibility requirements for accessing VHA care, and how other than honorable (OTH) discharges should be addressed from an eligibility viewpoint
- Differences between private health care, VHA health care, and other forms of public health care, including cost, access, and structure
- The feasibility of bold reforms of VHA and what it will take for reforms to become reality
- Improving recruitment and retention efforts within VHA
- How to improve the public image of VHA after the recent scandals
- Involving veterans and the VSOs in the transformation of VHA
- Assessing the risks of integrating care with the community
- How to ensure the Commission's final report leads to actual change

**Day 1 closing remarks were provided by Chairperson Schlichting and the meeting was adjourned at 4:56 p.m.**

**Day 2 of the Commission on Care meeting opened at 8:30 a.m.**

## **Workgroup Report Outs**

Commissioners from the Leadership, Health Care Alignment, Health Operations, and Data, Tools, and Infrastructure workgroups provided reports on their groups' discussions.

Commissioner Martin Steele presented the report for the Leadership workgroup. Commissioner Steele presented the workgroup's topics of focus, methodology, and findings. The workgroup made several recommendations for the Commission to consider and expanded upon them, including:

- Leaders at all levels of the VHA must champion a focused, clear, and benchmarked strategy to transform the organizational culture and sustain staff engagement.
- Rebuild a system for leadership succession based on a benchmarked health care competency model that is required to be applied for recruitment, development, and advancement within the leadership pipeline.
- Transform organizational structures and management processes to promote decisionmaking at the lowest level of the organization, eliminate waste and redundancy, and promote innovation and the spread of best practices.
- Establish a performance management system for health care leaders in VHA that is distinct from performance measurement, is based on the leadership competency model, and assesses leadership ability and the achievement of important organizational strategies.

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- Convert all of VHA to an excepted personnel system that is health care specific and promotes agile, market-based management of personnel and the free flow of leaders and staff between government and the private sector.
- Require top executives to lead the transformation of Human Resources, commit funds, and assign expert resources to ensure front line leaders can effectively recruit, retain, and discipline staff to achieve a high-performing health care system.

The Commission discussed the workgroup report and posed questions to workgroup members. Items discussed included:

- The balance between internal leadership succession and external influence of new ideas
- Methods of leadership evaluation and performance management
- How to implement effective leadership and cultural competence
- Lessons learned from organizational transformations in the military and the private sector
- How to coordinate management efforts in a national health care system
- The statutes and regulations that apply to leadership structures in federal agencies
- Challenges the VA faces in competing with the private sector for filling leadership positions
- The qualities of good leaders and how to instill them in VHA personnel

Commissioner Michael Blecker presented the report for the Health Care Alignment workgroup. Commissioner Blecker presented the workgroup's topics of focus, methodology, and findings. The workgroup made several recommendations for the Commission to consider and expanded upon them, including:

- Congress should provide for the establishment of an independent board of directors responsible for the governance of VHA with a focus on transformation, direction of long-term strategy, and vested decision-making authority.
- Congress should establish a process for VHA system realignment.
- Congress should provide clear authority to permit development of integrated care networks and VHA must develop a streamlined policy that encourages local sharing agreements.
- The President or Congress should task another body to examine the need, if any, for changes in eligibility for VA care and/or benefits design.
- VA should revise regulations to provide access to care for those with OTH discharges.

The Commission discussed the workgroup report and posed questions to workgroup members. Items discussed included:

- How to coordinate efforts between daily operations of an organization and long-term strategic goals
- The relationship between the leadership of an organization and its governing board
- What form a potential governing board for the VA should take and what responsibilities will it have
- The relationship of a potential governing board with VHA leadership and how the board, VHA leadership, and Congress will interact to manage VA health care
- The value of increasing VA efficiency through a BRAC-like process

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- The current eligibility requirements for those seeking VA health care and how they should be changed

Commissioner Charlene Taylor presented the report for the Health Operations workgroup. Commissioner Taylor presented the workgroup's topics of focus, methodology, and findings. The workgroup made several recommendations for the Commission to consider and expanded upon them, including:

- Improve clinical workflow by implementing appropriate staffing practices, creating a culture of continuous improvement, ensuring bed levels correspond with demand, and tracking resource distribution in real time.
- Improve productivity by ensuring staff members have adequate resources and training, utilizing staff members to their fullest potential, following best practices, embracing a quality improvement methodology, and creating a culture that encourages addressing mistakes openly and systematically.
- Overhaul human resources processes and procedures to attract and retain staff.
- Use state-of-the-art technology to improve the scheduling process.
- Use state-of-the-art technology to expand the delivery of care and meaningfully measure access to care.

The Commission discussed the workgroup report and posed questions to workgroup members. Items discussed included:

- Performance metrics that are used to measure productivity
- How to help physicians increase their productivity and the barriers that must be overcome
- The differences in job requirements between VA and private physicians and how these differences are seen in performance metrics

Commissioner David Blom presented the report for the Data, Tools and Infrastructure workgroup. Commissioner Blom presented the workgroup's topics of focus, methodology, and findings. The workgroup made several recommendations for the Commission to consider and expanded upon them, including:

- VA shall improve the health and well-being of veterans through the use of technology and health information that is accessible when and where it matters most.
- VA should select an SES-level CIO for VHA to manage and advocate for VHA's IT needs; establish an office responsible for the planning, prioritization and implementation of health IT projects; and oversee the budget for all new and existing IT systems involving VHA-related business processes.
- Veterans and their providers shall be able to access veteran's health care information from any location.
- VA shall conduct a comprehensive cost-versus-benefit analysis among commercial off-the-shelf electronic health records (EHRs), open source EHRs, and continued in-house custom development of the VistA EHR currently in use.
- VA shall develop a coordinated IT infrastructure for appointment scheduling, coding, billing, claims payment, and other core VA business processes.
- A new VA governing board should have the authority to immediately dispose of vacant property and close underutilized facilities.

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- A new VA governing board should have the fiduciary duty to ensure VA assets and facilities are managed appropriately.
- VA shall transform and consolidate VA's entire supply chain organization and improve key enablers required to support the organizational transformation, including IT systems, data standardization, and talent management. VA shall streamline supply chain activities to achieve cost savings and reduction of waste.

The Commission discussed the workgroup report and posed questions to workgroup members. Items discussed included:

- The tension between centralized purchasing and local control
- The bureaucratic structure behind purchasing decisions
- Current issues affecting the VA Office of Information and Technology (OI&T) and what reforms are necessary
- The future of Health IT and how VHA is preparing for better integration of electronic health care records

## **April Meeting Planning**

The Commission discussed the upcoming April meeting, including meeting logistics, potential speakers, and a format for review of the final report.

## **Conversation with Rep. Beto O'Rourke**

Congressman Beto O'Rourke, a Member of the House Committee on Veterans' Affairs, provided the Commission with an overview of his work on veterans' health care. The problems that the Commission has been tasked to address have not arisen in the past several years, but are deep-seated. The parties responsible for overseeing VHA health care have not been able to come together and fix these issues, and therefore the Commission, as an outside observer, is necessary.

Improving the quality and access of VHA health care is one of the chief reasons why Rep. O'Rourke is serving on the Committee on Veterans' Affairs. Early in his Congressional career, Rep. O'Rourke heard concerns from veterans that wait times at the El Paso VA were excessive and he began to look for solutions. While his original thinking regarding a potential solution was to build a new hospital, instead he brought the community of El Paso together to create a plan to meet the veterans' needs using private- and public-sector resources. The plan hinges on three key points:

- VA should focus on a few things and do them very well, in particular helping conditions, disabilities, and illnesses that are uniquely connected to combat and service.
- VA must find capacity for non-service connected issues in the community through agreements with private and public providers.
- VA must develop competency, and then excellence, in coordination of care.

The plan was proposed in July 2015; VA agreed to partner with the community and Rep. O'Rourke's office in implementing it in October. While the plan is still young, there have already been several key successes, including the creation of eight new graduate medical education positions dedicated to the community at the Texas Tech University Health Sciences Center, plans to decentralize care with two new community-based outpatient clinics (CBOCs), and a new care coordination pilot program.

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The Commission discussed Rep. O'Rourke's work for veterans' health care and posed questions to him. Items discussed included:

- How to implement change on a national level to overcome barriers that prevent veterans from receiving the care they need
- The steps necessary for bold reforms of VA, both from Congress and other organizations
- What role VA will play in its efforts to coordinate veterans' care in the community
- The current eligibility requirements for those seeking VA health care and how they can be improved
- How to engage veterans and VSOs in implementing organizational change in VA
- Ensuring that the VHA transformation guarantees veteran-centric care

## **Projection Model**

Jamie Taber, Gideon Lukens, and Merideth Randles provided an outline of their work estimating future costs for VHA. The presentation began with an overview of the current veterans health care landscape. The number of enrollees in the VA system is projected to hold roughly constant over the next twenty years. The largest component of enrollees are Vietnam-era veterans, with a large cohort reaching Medicare eligibility in the coming years. As of now, 52 percent of eligible veterans have enrolled in VA health care, and this is expected to increase over time. Younger generations of veterans are more likely to enroll at some point in their lives than their older counterparts, contributing to the continued positive net growth in enrollment.

In terms of reliance on the VA system, approximately 80 percent of enrollees have some other private or public health care in addition to VA, with enrollees choosing to receive only 34 percent of their care, on average, from VA. Various demographic and environmental factors influence enrollee reliance on VA health care, including age, income, travel distance to VA facilities, cost-sharing levels, and economic conditions. VA services are tailored to veterans' unique needs because treatment for conditions related to enrollees' military service are often not available in the private sector. Some examples include specialized mental health services, community integration programs, prosthetic devices and supportive services, as well as programs for spinal cord injury and blind rehabilitation.

The presentation continued with a comparison of VA's costs with the private sector. The VHA is different from the private sector in ways that make it difficult to compare costs. Some differences are its unique population, funding structure, mixture of services, and lack of premiums and enrollment fees. These differences make it infeasible to compare total cost per patient; a more practical approach is to compare how much private-sector providers would have been paid for services provided by the VHA, though even these studies have significant limitations. The presenters covered several different studies that reached different conclusions when comparing costs.

The team explained the methodology and baseline scenario of the VA Enrollee Health Care Projection Model, and the key assumptions that went into creating it:

- The baseline scenario reflects current policy with regard to enrollment eligibility and the VA health care benefit, and includes the Choice Act 40-mile eligibility group
- The projections are based on assumptions about inflation and how changes in health care practices are expected to impact the cost of VA health care in the next 20 years

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- New military conflicts, policies, legislation, regulations, and external factors can occur and change projected demand for VA health care over time
- The projections do not include requirements for several activities/programs, including non-recurring maintenance, readjustment counseling, state-based long-term services and support programs, and some components of the CHAMPVA program.

The Commission discussed the projection model and posed questions to the presenters. Items discussed included:

- The data and methodology that went into creating the team's baseline scenario
- Factors that uniquely influence veteran populations and how they affect VHA's costs
- The factors that contribute to differences in per-patient cost between VHA and the private sector
- How VHA's health care costs have changed over time and the factors that contributed to these changes
- Cost trends in American health care and how they relate to VHA's financial standing

**Day 2 closing remarks were provided by Chairperson Schlichting and the meeting was adjourned at 4:00 p.m.**

**Day 3 of the Commission on Care meeting opened at 8:31 a.m.**

## **Projection Model**

Jamie Taber, Gideon Lukens, and Merideth Randles continued their presentation, focusing on estimating costs for five scenarios.. The presentation gave the results of running six different scenarios through the projection model. The six scenarios are:

- VA closing select facilities
- VA keeping select services within the system
- VA purchasing insurance and subsidizing cost sharing
- VA giving enrollees a choice between VA care or a subsidized insurance premium
- VA opening eligibility to all Priority 8 veterans

The scenarios don't take VA's current teaching mission, investment in research, and national emergency preparedness role into consideration.

The Commission discussed the results of running the scenarios through the projection model and posed questions to the presenters. Items discussed included:

- The data and methodology that went into creating the team's scenario forecasts
- Factors that influence veteran populations and how they affect VHA's costs
- How market trends affect VHA's health care costs
- The impact of outsourcing care to the community on VHA's costs
- The breakdown of VHA's costs, including areas of concentration and costs unique to veterans' care
- The value of efficient coordination of care

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## **Under Secretary for Health**

Under Secretary for Health David Shulkin provided an update on VHA's transformation efforts. He outlined key principles underlying the efforts, including supporting local determination of veteran needs and provider capabilities; maintaining and enhancing capabilities within VA for services that aren't as strong in the community; developing best practice operational capabilities and facilities; supporting social, psychosocial, and other support programs for veterans; and maintaining missions in education, research, and emergency preparedness. In support of these principles, VHA has submitted a plan to become a high-performance network, reorganized VHA to have a separate function for community care and organizational excellence, and has begun to implement major operational improvements and veteran-centric care through the MyVA program.

Under Secretary Shulkin highlighted several programs that are examples of VHA's efforts to become a high-performance network. These include VA's Stand Downs for Access, the Veterans Engineering Resource Center, the MyVA Declaration of Access, best practices collaboration programs, and the VA's Million Veteran Program. He then identified 12 breakthrough priorities of VHA, which were divided into two groups: veteran touchpoints and critical enablers.

The eight veteran touchpoint priorities are:

- Improving the veterans' experience
- Increasing access to health care in the forms of same-day, seamless care, and suicide prevention
- Improving community care
- Delivering a unified veterans' experience
- Modernizing VA's contract centers
- Improving the compensation and pension exams
- Developing a simplified appeals process
- Continuing to reduce veteran homelessness

The four critical enablers are:

- Improving the employee experience, including an increased focus on leadership development
- Staffing critical positions
- Transforming OI&T
- Transforming the supply chain

To work toward its priorities, VA must build further management competence, work with Congress to adopt legislative reforms, support a bold transformation to a community-based integrated network, and work closely with the Commission as it works on its final report. The Commission discussed the VHA's recent transformation efforts and posed questions to Under Secretary Shulkin. Items discussed included:

- The balance between keeping VHA care in-system and using resources in the community
- The challenges of implementing a nationwide VHA transformation at the local level
- How organizational restructuring can help VHA achieve its goals more efficiently

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- VHA's priorities in addressing IT problems and potential solutions
- The form a potential governing board for VA should take and what responsibilities it will have

## **Facilitated Conversation on Veterans Health Care**

The Commission was led in a facilitated discussion about veterans health care by Chairperson Schlichting. The discussion focused on revising the strawman document, further defining what it means for VHA to be veteran-centric, and refining the Commission's vision statement. Items discussed included:

- Specific wording changes to the strawman document and vision statement
- The meaning behind specific words and phrases in the documents and how they will be understood outside of the Commission
- How VHA can transform itself to become more veteran-centric
- The role of navigation and coordination of care in a health care system
- Integrating veterans into the community
- Differences between the veteran population and the U.S. population as a whole
- Centralizing and improving the quality of VHA's data
- Assessing the risks of integrating care with the community
- The effect of the VA scheduling and access crisis and its role in the current VHA transformation
- Problems with VHA's facilities, including age, space, and costs
- The IT requirements of a high-performing health care network and the steps needed to realize a world-class health IT infrastructure
- The feasibility of bold reforms of VHA, and what it would take for these reforms to become reality
- The role purchased care should play in the future of VHA health care and how it will be funded and coordinated
- Differences between private health care, VHA health care, and other forms of public health care, including cost, access, and structure
- How to ensure the Commission's final report leads to actual change
- The timeline for VHA transformation
- The role of VA's other missions (research, education, and emergency preparedness)

**Closing remarks/comments were provided by Commission members.**

**The meeting was adjourned at 3:11 p.m.**