

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE

COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON HEALTH

COMMITTEE ON GOVERNMENT REFORM

UNITED STATES HOUSE OF REPRESENTATIVES

**SUBJECT: VETERANS' MAJOR MEDICAL FACILITIES
CONSTRUCTION ACT OF 2002**

**STATEMENT OF: COLONEL DAVID D. GILBREATH
COMMANDER, ELMENDORF AFB HOSPITAL**

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BY THE SUBCOMMITTEE ON HEALTH,
COMMITTEE ON VETERANS AFFAIRS,
COMMITTEE ON ARMED SERVICES**

Mister Chairman and distinguished members of the committee:

It is an honor to have the opportunity to discuss with you today how the 3rd Medical Group is working with the Alaska VA Healthcare System to provide comprehensive, quality healthcare to the veterans of Alaska. My comments today will include a brief history of our DoD/VA Joint Venture, a description of how it now works and finally a discussion of the opportunities for further integration of services provided by the proposed new VA clinic adjacent to the 3rd Medical Group hospital.

Overview and History

Alaska's immense size, intimidating terrain, distance from the Continental United States, and high cost of living, present a variety of challenges to delivering health care to the more than 100,000 Department of Defense and Veterans Affairs beneficiaries who live in Alaska. Alaska is a huge state, with a land mass one-fifth the size of the Continental United States. Road systems in Alaska are sparse. There is only one two-lane road that connects the state's two largest cities of Anchorage and Fairbanks. This, coupled with the severe weather conditions, make land travel difficult at best. Alaska is sparsely populated. The state averages less than one person per square mile compared to 70 people per square mile for the Continental United States. Nearly 25% of Alaskans live in towns or villages that can only be reached by plane or boat. Twenty five percent of Alaskans live in communities with fewer than 1,000 people. The vast majority of the state's physicians reside in the Anchorage area, which has nearly half of the state's population of approximately 650,000. Many Alaskan communities are medically underserved. For example, hundreds of small villages scattered around the state rely on health aides with an 8th grade education as their sole source of day-to-day medical care. Incredibly, outside Anchorage, there isn't a single practicing cardiologist any where in the state. All these factors contribute to the high cost of health care in Alaska and add to the complexities of providing health care to VA and DoD beneficiaries in this environment.

The VA has never had an inpatient medical facility in Alaska. They have always purchased inpatient services from the private sector. In 1986, an economic analysis by the Army Corps of Engineers, concluded that a cost-effective health care delivery alternative for veterans in the Anchorage area, was a DoD/VA joint venture with the Air Force at Elmendorf Air Force Base. The VA contributed \$11.2M towards construction of a \$164M 110-bed, 450,000 square foot, medical facility on Elmendorf AFB. Construction began in 1993 and the birth of the

Elmendorf DoD/VA Joint Venture occurred in May 1999, when the 3rd Medical Group cut the ribbon on its new medical facility.

Principles of Operation of the Current Joint Venture

Ours is one of eight DoD/VA joint ventures and has been the focus of national attention since its inception. It was called a “model for the rest of the country” by VA Secretary Principi, during a visit to Alaska last year. The Joint Venture’s principles of operation call for an integrated, jointly staffed medical facility to meet the health care needs of DoD and VA beneficiaries. The VA staffs the Intensive Care Unit and the Air Force staffs the Medical Surgical Unit. Since February 1, 2000, the VA also provides staffing to augment our emergency room. On that date, the Joint Venture became the ER of choice for Anchorage veterans. This has been a huge success because historical data showed that over 25 percent of ER visits by veterans in Anchorage hospitals resulted in an admission. Veterans requiring admission from the ER are now admitted to the Joint Venture hospital, rather than costly hospitals in the private sector.

The Air Force runs the hospital on a day-to-day basis with input from the VA on various committees. The VA reimburses the AF for services provided on a per diem basis for inpatient care and on a fee-schedule basis for outpatient visits and ancillary services. Currently, the VA employs approximately 50 staff members at the Joint Venture, compared to approximately 800 staff and another 150 contractors provided by the Air Force.

A major goal of the Joint Venture is to increase access to medical care for veterans, while containing costs. During FY01, over 700 veterans were admitted to the Joint Venture hospital, a 24 percent increase from the previous year. During that same period, emergency room visits increased 19 percent to nearly 2,000 patients. Because of differing accounting systems, it is difficult to compute exact cost avoidance savings.

The Elmendorf Joint Venture strives to make a seamless continuum of inpatient care, as well as selected outpatient care, available to Alaska's veterans, while enhancing the range of services available to DoD beneficiaries. The joint venture is designed to improve the healthcare delivery system for all eligible federal beneficiaries. It offers VA beneficiaries a local, federal inpatient facility while DoD beneficiaries enjoy expanded access to specialty care, including the ICU and cardiology services provided by the VA.

Special emphasis has been put into place to ensure one standard of care for all patients receiving treatment in the Joint Venture. Staff from both agencies work hard to overcome cultural and mission differences to ensure we meet the common goal to: "Take care of the men and women who have served and continue to serve this great nation." During our March 2002, Joint Commission on Accreditation of Healthcare Organizations visit, surveyors praised the Joint Venture for its cost effectiveness and adherence to one standard of care.

Opportunities for Further Integration with Proposed Clinic

The VA's proposed clinic adjacent to the 3rd Medical Group offers significant opportunities for further integration of services that currently are not feasible because of geographical separation between the AF hospital and the existing VA outpatient clinic. To date, we have held nine meetings between the staff of the 3rd Medical Group and staff of the Alaska VA Healthcare System to identify sharing opportunities and ways to reduce the square footage requirement of the proposed VA clinic. Preliminary results are very encouraging. Many areas have been identified as having excess capacity for sharing with the VA. So far, our warehouse, radiology, medical laboratory, central sterile supply, and medical library have been identified as having the most potential for integration. Sharing in these areas should significantly reduce the need for these services in the new VA clinic, thereby producing significant savings in the final scope of the project. Also, building a VA outpatient clinic adjacent to the 3rd Medical Group offers some cost-effective economies of scale through joint housekeeping contracts, shared maintenance contracts and so on. Also, an adjacent clinic would present opportunities to share our in-house biomedical equipment repair service with the VA.

It should be pointed out that a huge factor that inhibits more complete integration is incompatible information management systems between the two agencies. It has been frequently identified that the lack of compatibility between the VA clinical information system and DoD's Composite Health Care System (CHCS) provides a huge roadblock in efficiently integrating operations. In many cases, such duplication often causes redundant data entry and wasted man-hours. For example, because of incompatible information systems, near-term integration of Pharmacy Services appears impractical until information technology solutions are developed. However, the DoD and VA are actively working to improve information sharing between medical data systems.

I am confident that construction of a new VA clinic within the immediate proximity of the 3rd Medical Group will further improve our abilities to share resources and services. Land is available for construction and our current facility has enough excess utility capability to supply this new building. While concerns over security and access have increased since September 11, 2001, recent meetings with Air Force Security Forces personnel have helped devise a plan where access to healthcare for Veterans is ensured while also maintaining the security posture essential to protecting the critical national security assets based on Elmendorf Air Force Base.

Conclusion

I believe that a new VA clinic built adjacent to the 3rd Medical Group will dramatically improve access to timely, cost-effective, quality health care services to veterans in Alaska. The men and women of the 3rd Medical Group look forward to working with the VA to make this happen. This will definitely be a win for the VA, a win for the DoD and a huge win for the American taxpayer!

Mister Chairman and distinguished members of this committee, thank you for this opportunity to report on the challenges and successes of the Alaska DoD/VA Joint Venture and thank you for your continued advocacy and support of our nation's veterans.