



WRITTEN TESTIMONY SUBMITTED BY

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**Committee on Veteran Affairs
Subcommittee on Health**

U.S. House of Representatives

26 June 2002

Honorable Chairman Moran, Ranking Member Filner, and Distinguished Members of the Subcommittee:

I am pleased to provide testimony today on behalf of the Veterans Aimed Toward Awareness (VATA), a member-run organization of veterans and their families who provide outreach and advocacy activities for the men and women who served in our nation's military services. VATA seeks political and social change within the veteran's health system, the community, our state, and our country. We seek to speak with one voice while never losing sight that each person is a unique individual with personal health and emotional needs. We believe that all people have the right to be free from chronic illnesses that rob them of productive and satisfying lives. We believe that certain conditions, including diabetes, Hepatitis C, substance abuse, and dependency disorders have profound consequences on productive living in our community. We seek to create awareness around these conditions, and also to promote better public health approaches toward prevention, treatment and control of chronic conditions as they pertain to the veterans health system.

VATA MISSION

VATA has had increasing success accomplishing its mission since its conception in 1998. The year 2000 was an exceptional one for VATA as we formalized our message, mobilized large numbers of veterans to fight for increased awareness and treatment by the VA for Hepatitis C and related conditions, and educated policy makers through testimony before the Veteran Committee of the U.S. House of Representatives and in two appearances before the House Government Reform Committee. Through alliances with 2000 Miss America Heather French and the Miss America Foundation, VATA also was able to develop outreach initiatives targeted at homeless veterans in order to offer some measure of hope for lifestyle and behaviors improvement.

Because of the dramatic number of veterans who have been recently diagnosed with diabetes, we are particularly interested in any reforms that may have a positive or negative impact in the delivery of services to this veteran population. For this reason, VATA created a consortium of state chapters of some of the nation's leading veterans organizations to work together in expressing concerns about this proposal and urging the Secretary of the VA to maintain the current system for blood glucose testing supplies and monitoring equipment.

VA STANDARDIZATION EFFORTS – THE SPECIAL CASE OF DIABETES EQUIPMENT AND SUPPLIES

As an organization, we commend the VA's recent efforts to develop a comprehensive strategy for providing cost savings and efficiency to the national veteran health care system. We recognize that considerable research contributed to the final report of the Department of Veteran Affairs' Procurement Reform Task Force, and we applaud the agency's commitment to reducing costs while maintaining the quality and efficiency of the veteran health care system. However, VATA is concerned about the VA's standardization of certain medical technologies and products may adversely impact quality. While the organization understands that standardization is an appropriate cost-saving method with respect to certain medical

commodities, VATA is extremely alarmed by the VA's attempts to create a national standardization process for several medical diagnostic devices. Specifically, we are concerned about the standardization of medical devices necessary to improving the quality of health of veterans with chronic conditions and requiring patient education for operation.

Unlike drug therapies, these medical devices are valuable only through patient and provider feedback. Because of its large role in the health care industry, the VA may actually hinder access to innovative technology by inadvertently standardizing technology that could in fact be improved upon in a competitive market of multiple suppliers. The lack of innovation could jeopardize the maintenance of good health practices for patients and providers.

The remainder of this testimony provides a case study of the current standardization policy on blood glucose monitoring technologies, and makes the case against further standardization or creation of a national uniform policy with respect to diabetes monitoring technologies and supplies. Furthermore, VATA supports the idea of not only maintaining the current level of standardization with respect to diabetes monitoring technologies, but also of utilizing this system as a model for other monitoring technologies and diagnostic devices the VA is considering for standardization.

IMPACT OF STANDARDIZATION ON DIABETES COMMUNITY

In 1996, the U.S. Department of Veterans Affairs announced its intent to significantly increase the use of single award, national contracts. In conjunction with this general goal, the VA is currently considering a proposal to standardize all utilization of blood glucose testing supplies and monitoring equipment within the VA Hospital System to one single supplier. Because of the dramatic number of veterans who have been diagnosed with diabetes, we are particularly concerned about this development. The proposal to standardize diabetes equipment makes less sense in light of the savings that have already been achieved in the diabetes equipment and supply area by the 21 Veterans Integrated Service Networks (VISNs).

Currently, the 21 VISNs retain the autonomy to negotiate with any individual diabetes equipment manufacturer. Indeed, we noted with interest that the June 3 report of the VA Procurement Reform Task Force cited significant savings that have been achieved in the pharmacy benefit arena. Currently, blood glucose equipment and supplies fall in the PBM class in which they negotiate contracts with providers of blood glucose monitoring technologies. This PBM program has worked because it fairly balances the goals of reducing costs and ensuring top-quality health care to veterans. Because the networks choose the best products at the best prices, the values of competition, choice, and quality of care are promoted rather than compromised.

In addition to the savings that have already been achieved, we were pleased to see that blood glucose monitoring technologies were not included in the Task Force's top 20 products list recommended for national standardization. However, we are concerned to hear reports that the VA's Clinical Logistics Department is still considering recommendations to create a national standardization policy for blood glucose monitoring supplies and equipment. This would have

potentially devastating impacts on both the providers of diabetes education and training, as well as on veterans with diabetes.

CONSEQUENCES OF A NATIONAL STANDARDIZATION POLICY FOR DIABETES MONITORING TECHNOLOGIES & SUPPLIES

There are an estimated 2 million veterans living with diabetes, thousands of whom already experience tremendous difficulties with the necessary technicalities and schedules for their testing. Because of the nature and continuous need for blood glucose testing and monitoring in veterans with diabetes, it is imperative that they are properly trained and technically proficient with the supplies and equipment they use. Our concerns fall into three categories:

1. Retraining Veterans and Compliance

There are serious medical implications for attempting to standardize the purchasing process for blood glucose products, as it would require the retraining of up to 500,000 veterans (most of whom are elderly). If vulnerable veterans believe that their diabetes equipment has changed, continuity of successfully managing diabetes and preventing its complications is threatened. That is, if veterans are unable to obtain supplies that they are familiar and comfortable with, they are less likely to continue with a particular treatment regimen. Some products and technologies are better suited for some patients than others. For example, a veteran with poor vision needs a glucose monitor with oversized readout or even audio readout.

2. Impact on VA Nurses

Additionally, this retraining extends well beyond the patient. A national standardization policy of diabetes monitoring equipment and supplies would also create the onerous task of retraining nursing staff to utilize one set of products over another. Diabetes educators working for the VA health care system emphatically believe that such a change in the current standardization policy of blood glucose monitoring technologies will place an impossible goal on them to retrain so many veterans. (For the record, we have attached a petition signed by the leading diabetes educators of 16 VISNs in opposition to further standardization of blood glucose monitoring supplies and equipment). The Congress and the VA must both understand that diabetes educators perform a variety of services and functions beyond training veterans to monitor their blood glucose levels. Such a change in policy will greatly deteriorate their ability to provide other important activities, including nutrition and physical education classes, home visits, and provider/practitioner training.

Unlike the Medicare and Medicaid systems, because the VA is not only the purchaser, but also the provider of health care equipment, the responsibility and costs associated with retraining diabetes educators, nursing staff, and physicians on new technologies lies solely with the VA. While in the past, manufacturers of blood glucose technologies have assumed many of the costs associated with a transfer from one technology to another, retraining has proven to be a time-consuming endeavor ultimately born by the VA. The costs for the VA system are so enormous in moving to a national policy that this option is unwise.

3. *Future Innovation Hindered*

Standardization will grant quasi-monopoly status to the vendor and hinder future innovation for patients. As noted above, some products and technologies are better suited for some patients than others. A single national award for a non-commodity item removes the incentive to make beneficial improvements and replace patient's outdated devices.

CONCLUSION

For the reasons outlined above, we believe it is in the best interest of veterans to halt further standardization of blood glucose monitoring supplies and equipment. This necessary monitoring equipment has already been standardized at the VISN level, and provides a fair and balanced approach toward achieving cost savings without risking patient's choice and quality of care. We appreciate the attempts, and numerous successes, of the Department of Veterans Affairs to strengthen the national veteran health care system. However, we encourage Congress and the VA to consider utilizing the current system of selecting diabetes equipment and supplies as a model for other medical device technologies impacting a large veteran patient population.

Diabetes is the main cause of kidney failure and new onset blindness in adults and a major cause of heart disease, limb and digit amputation and stroke. Diabetes costs the nation about \$100 billion each year. The unintended consequences of a drop off in blood glucose monitoring and compliance are too great to proceed toward a single national award for these products.