

**Statement of**

**C. Ross Anthony, Ph.D.**

**Commissioner**

**President's Task Force to**

**Improve Health Care Delivery For Our Nation's Veterans**

**Before the**

**Committee on Veterans' Affairs**

**U.S. House of Representatives**

**June 17, 2003**

Mr. Chairman and distinguished members of the subcommittee, I want to thank you for the opportunity to share my views on the Final Report of the President's Task Force (PTF) to Improve Health Care Delivery for Our Nation's Veterans. It has been a distinct privilege to serve as a Commissioner on this Presidential Task Force and in some small way have the opportunity to honor those among us who have or are serving our country so that the freedom and liberties we enjoy are preserved.

It was also a distinct privilege to serve with 14 distinguished Commissioners ably led by the Co-Chairs the Honorable Gail Wilensky and the Honorable John Hammerschmidt. These 15 commissioners who first gathered shortly after 9-11 came from very diverse backgrounds and professions. Some commissioners represented constituency groups and others, like myself, came as independent voices. Although I serve as the director of RAND's Center for Military Health Policy Research, the views I expressed on the PTF and express here today are my own from the perspective of a commissioner, and do not represent the opinions of RAND.

All commissioners on this task force shared a deep commitment to ensuring that veterans seeking health care are provided timely access to high quality health care delivered efficiently and compassionately. We worked together, learned from each other, and fashioned what I believe is an outstanding consensus report that calls for bold action on the part of the Department of Defense (DoD), the Department of Veterans Affairs (VA), Congress, and the Administration to improve the quality, delivery and efficiency of care to veterans. It is true that some commissioners wished to go further on the issue of funding for category eights, but I urge you to realize that what you have before you is a

very strong statement for action fully endorsed by Commissioners who include veterans' advocates, clinical professionals, policy experts, and business leaders. I urge you to help implement our findings.

I believe that the report speaks for itself and what I would like to do this morning is highlight a couple of recommendations that I think are particularly important and then touch on a few issues dealing with its implementation and oversight.

In forming the task force, President George W. Bush directed us to identify ways to improve benefits and services for VA and DoD beneficiaries through better coordination, to review barriers that impede that cooperation, and to identify opportunities to improve business practices to ensure high quality cost effective care, and to identify opportunities for improved resource allocation between the VA and DoD. In our numerous meetings and field trips we concluded that situations appropriate for direct sharing of facilities such as one finds at Nellis Air Force base in Las Vegas, although impressive examples of what is possible, are the exception rather than the rule. This is true for a number of reasons including the different missions of the Department of Defense and the Department of Veterans Affairs, and the lack of excess capacity at the VA. However, we also concluded there were many areas where the VA and DoD could cooperate with each other that would ease the transition from active duty, increase the quality of care, and improve efficiency that would benefit both agencies and provide a better, more seamless benefit to veterans. In general, the areas ripe for action are business processes that would enable real cooperation to take place. Key among these is the need to synchronize information technologies.

Recommendation 3.1 calls for the Department of Veterans Affairs and the Department of Defense to develop and deploy interoperable, bi-directional, and standards-based electronic medical records by fiscal year 2005. If the VA and DoD are to cooperate effectively and implement other recommendations such as a mandatory single separation physical or to improve care through the implementation of evidence based clinical practice guidelines, synchronizing information systems is essential. As the report makes clear, “effective interoperable or joint IM/IT solutions that significantly improve VA/DoD collaboration depend on senior executive commitment to, and involvement in, planning synchronization between the Departments, and motivation at all levels with accountability for results.” In short, success depends on a coordinated business planning process at all levels that is sustained over time, not just the purchase of a particular piece of hardware or software. This will require sustained leadership commitment that has not always been present in the past. We see no reason why this key objective cannot be achieved by fiscal year 2005.

I would now like to draw your attention to Recommendations 3.5-3.7. These recommendations deal with the need to better track and understand the exposures that military personnel experience during deployments such as Operations Desert Storm and Desert Shield or Operation Iraqi Freedom. I had occasion to lead an extensive research effort at RAND in support of the Office of the Special Assistant for Gulf War Illnesses which highlighted how little information existed to understand the illnesses veterans were experiencing after the first Gulf War. These three very important recommendations

address some important concerns of veterans. I would point out that they call for both DoD and the VA to identify, collect, and maintain data needed by both departments to recognize, treat, and prevent illness and injury resulting from occupational exposures and hazards experienced while serving in the Armed Forces. Our recommendation calls for the VA to share information with DoD and vice versa in a process that allows both departments to address these critical issues. This will not be an easy task and will require routine pre and post deployment physicals, collection of appropriate troop location data, and innovative data collection and analysis.

Finally, let me address the issue of the funding mismatch. We concluded that it would be almost impossible for there to be effective collaboration between two systems if one was well funded and the other was not. While not always the case, DoD presently appears to have adequate funding to fulfill its health care responsibilities. As this Committee is well aware and our report details, the same is not true in the case of the Department of Veterans Affairs. As an economist, I feel that it is important to fashion good policy and then finance it adequately—hopefully in a manner that creates incentives for efficiency. Historically the country has committed itself to being sure that veterans who had service-connected disabilities and/or were indigent were well cared for. It is a national commitment I share. The Congress in the Veterans Health Care Eligibility Reform Act of 1966 (PL 104-262) expanded eligibility to include veterans whose incomes were above established VA means test thresholds and who did not have compensable service connected condition. However, the demand for services has been growing beyond the capacity of the system to provide or the Congress to fund them.

Today there are over 250,000 veterans who have been on waiting lists for six months or more waiting to receive care. Growth has been particularly rapid among the over 65 population which has sought ways to pay for prescription drugs, a benefit not presently provided by Medicare. In theory, the Secretary of the Department of Veterans Affairs has the authority to limit care to match budget appropriations, but we all know that this is politically very difficult and a path which the Congress has usually not been willing to accept. In short, I believe this is a process and situation that is neither wise public policy nor fair to veterans. Our report calls for guaranteed funding for categories 1-7 so that there will be certainty in the system for veterans and managers alike.

I concur with the Report's recommendation 5.3, which deals with the funding for priority eights. I believe the "present situation is unacceptable" because it subjects veterans to uncertainty that makes it very difficult for them to plan properly for their health care needs and makes it difficult for the VA to plan and manage the provision of care. Veterans deserve better treatment. That said, I believe the Report's recommendation that the Congress and President should work closely together to solve this problem, is the right one. As a Commissioner, I did not believe that that we had sufficient information and analysis, or the time necessary to fully investigate and fashion good policy, nor did I believe that this issue was within the scope of the Task Force. Further, decisions of this nature, will involve hundreds of billions of dollars over many years, interactions between other major programs such as Medicare, and difficult public trade-offs that need to be properly considered by the President and Congress. Given the magnitude and complexity of these issues, I believe the appointment of another Task

Force to consider just this issue and/or a Congressional Report on the subject should be considered.

I would also urge the Congress to give some thought to the impact of any proposed Medicare prescription drug benefit legislation on the demand for services at the VA. Synchronizing benefits, if properly designed, could help seniors receive care, eliminate perverse incentives, and alleviate the pressures created by Medicare eligible veterans just seeking pharmacy coverage at the VA.

Finally let me turn to an old management adage, “You get what you inspect, not what you expect.” Members of the PTF often spoke of wishing to have real impact and not simply to become one more report atop a dusty shelf. Recommendations for action without assigned responsibility and accountability usually fail. The management literature is rich with text emphasizing that once clear objectives are decided upon, that assignment of responsibilities and accountability for performance is essential for success. A number of recommendations in the Report (recommendations 1.1, 2.3, and 4.2) deal with these issues, including those that discuss metrics for success for performance, needs for accountability, and specific mechanisms for tracking and reporting. For example, Recommendation 1.1 calls for the Secretaries of the VA and DoD to annually submit a report to the President detailing their status on implementing sharing and collaboration initiatives and the recommendations of this report. I believe that these are particularly important recommendations to ensure that this report has more effect than its predecessors. Presently, the Department of Veterans Affairs and the Department of Defense are making rapid progress on joint objectives through the Joint Executive

Committee, which we on the PTF have applauded and hope will be sustained. I also urge this Committee to actively use its oversight authority to be sure that progress is sustained towards achieving the Task Force Recommendations.

Thank you again for the opportunity to present my views, and I would be pleased to take any questions you might have.