



**THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON**

April 7, 2016

The Honorable Johnny Isakson
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Thank you for your leadership in moving forward with a Comprehensive Veterans Affairs (VA) Reform legislative package that we all agree is necessary to better serve Veterans.

The Department is at a critical juncture in its MyVA transformation. We have moved forward with our transformation initiatives and are making significant progress in many areas. However, we are at a point in time where we need legislative support in order to reach our collective desired objectives and end state of putting Veterans first in everything we do.

As the Committee completes the final details of the omnibus legislative package, I want to highlight how each of the Department's legislative priorities are critical to achieving our transformation objectives and why we believe they need to be included in the omnibus bill:

Provider Agreement Legislation – This legislation is critical to facilitating VA's purchased care in the community outside of the Choice Program and is essential to the Department achieving its breakthrough priorities of Improving the Veteran Experience, Increasing Access to Health Care, and Improving Community Care.

Simplifying the Appeals Process – We have made great progress working with Veterans Service Organizations, other stakeholders, and Congress to put forth a legislative proposal to fundamentally change the appeals process so that Veterans will receive an appeals decision within 1 year by 2021. This sweeping reform is needed to correct a disability claims appeals process that is failing Veterans. We realize the legislative proposal was just transmitted on April 1, 2016; however, this is too important of an issue to delay action in an uncertain legislative calendar year.

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Streamlining and Improving Care in the Community Programs – VA supports many of the provisions in the updated Burr-Tester draft legislation. We believe the following proposals are necessary to provide Veterans immediate benefits in their utilization of our non-VA care programs while a future Veterans Choice Program is analyzed:

- Requesting resources for all non-VA care within the single Medical Community Care account;
- Increasing the accuracy of funding by recording Community Care obligations at payment;
- Streamlining Community Care funding by adapting the current model used for funding VA's Consolidated Mail Outpatient Pharmacies and applying it to payment for Community Care;
- Improving care coordination for Veterans through exchange of certain health information with community providers;
- Aligning with industry best practices on the collection of health insurance information; and
- Promoting timely payments to non-VA providers by formalizing alignment with current industry guidelines established by States.

West Los Angeles (LA) Leasing Legislation – The passage of this legislation will allow the Department to move forward with its plan to reduce Veterans homelessness in Los Angeles, which has the largest concentration of homeless Veterans in the Nation. The community has come together to support the Department's master plan. We need Congressional assistance to make this plan a reality.

Additionally, the Department supports the inclusion of Section 308 of S. 425, Partnerships with Public and Private Entities to Provide Legal Services to Homeless Veterans and Veterans at Risk of Homelessness in the omnibus legislation. In my many meetings with homeless Veterans, one of their major unmet needs is legal assistance. This provision would allow VA to enter into partnerships and fund a portion of legal services provided by public and private entities to homeless Veterans and Veterans at risk of homelessness. VA testified in support of this proposal, when it was included as part of S. 684, on June 3, 2015.

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Legislation to Strengthen the VA Workforce – The Department continues to struggle to fill critical leadership vacancies. The Medical Center Director position at the Hines VA Medical Center, located in the high cost Chicago area, has been advertised five times, yet we have been unable to attract qualified talent needed to fill that critical position. The special pay authority for VA Medical Center and Veterans Integrated Service Network Directors will greatly assist in recruiting and retaining the best talent to serve Veterans. The proposal to end the 80-hour per Federal work period requirement will bring VA in line with health care in the private sector and will improve recruiting and overall efficiency in our medical centers.

Accountability Legislation – As VA executes its MyVA transformation, VA is dependent on its career VA leaders who provide executive level leadership for VA's health care facilities and programs. Any VA Secretary needs greater flexibility than is afforded by current authorities in terms of recruiting, compensating, appraising, and – where necessary – disciplining career health care executives to ensure that the Veterans Health Administration (VHA) can operate as a values-based high performance organization rather than a compliance-focused underperforming bureaucracy. This modified proposal VA has transmitted to Congress is needed to sustain VHA's transformation. We continue to remain deeply concerned with discussions of eliminating protections of General Schedule employees, which would undermine the ability for VA's dedicated civil servants to serve our Veterans.

Again, I want to thank you for your leadership and support. You have my assurance that VA is committed to serving those who have served our Nation and will do everything it can to assist you as partners in providing the best care and services for our Veterans.

Sincerely,



Robert A. McDonald