

**UPDATE ON THE STATE OF THE
U.S. DEPARTMENT OF VETERANS AFFAIRS**

HEARING
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

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UPDATE ON THE STATE OF THE U.S. DEPARTMENT OF VETERANS AFFAIRS

WEDNESDAY, OCTOBER 14, 2009

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:05 a.m., in Room 334, Cannon House Office Building, Hon. Bob Filner [Chairman of the Committee] presiding.

Present: Representatives Filner, Brown of Florida, Snyder, Michaud, Herseth Sandlin, Hall, Halvorson, Perriello, Rodriguez, Donnelly, McNerney, Space, Walz, Adler, Nye, Buyer, Moran, Brown of South Carolina, Boozman, Bilbray, Bilirakis, and Roe.

OPENING STATEMENT OF CHAIRMAN FILNER

The CHAIRMAN. Good morning. Welcome to the Committee on Veterans' Affairs hearing today.

Mr. Secretary, we are glad to see you and we appreciate the job you are doing.

Secretary SHINSEKI. Thanks, Mr. Chairman.

The CHAIRMAN. I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks. Hearing no objection, so ordered.

Mr. Secretary, we were very glad when you were selected and confirmed and our confidence in you has not waned. We believe you are doing a great job. I know you were called a soldier's soldier when you were in the Army and now we are calling you a veteran's veteran. We thank you for all the work you have done.

I am going to quote a former presidential candidate, Adlai Stevenson, who said patriotism is not short outbursts of emotion, but the tranquil and steady dedication of a lifetime. I think that applies to our servicemembers and veterans who have proven their dedication, and it also applies to you, Mr. Secretary.

America must continue to show this tranquil and steady devotion to the heroes that have fought on the battlefields and have returned home. The way in which we treat our veterans has a direct impact on our ability to recruit men and women in the future and is a reflection of the values and ideals we hold as a Nation.

The U.S. Department of Veterans Affairs (VA) oversees what is the largest integrated health care system in the country and operates a vast array of benefit programs meant to support and salute our soldiers, sailors, airmen, and Marines. Together, Mr. Secretary, we have taken great strides in this 111th Congress to provide our

veterans with the quality health care and services that they required and that they have earned.

I share your goal to build better lives for America's veterans and their families and survivors. We made a contract with our veterans and we must keep it.

I would like to thank you, Mr. Secretary, for requesting veterans' funding levels that appropriately reflect the needs of our veterans more than any other budget requested by a President since I have served on this Committee.

The House approved a funding bill that adds \$14.5 billion over the current fiscal year and this is the third straight budget to exceed the request of the *Independent Budget*.

In fact, in the 3 years or the 3 budgets that we have overseen together, we have raised the health care budget 60 percent or more than \$20 billion. I think that is something to be really proud of.

Although this year's funding bill has not yet been enacted, I am proud that we have put forward a budget that is worthy of the service and sacrifice of our veterans.

I am also grateful, Mr. Secretary, for your leadership in working with Congress to establish a historic new approach to providing adequate and timely funding for veterans' health care.

Last week, the House passed and last night, the Senate passed a bill that responds to late budgets by allowing Congress to fund VA health care 1 year in advance. The bill is, of course, a top priority for veterans service organizations (VSOs) because it will make sure we are not subject to delays and uncertainty in the political process and will finally allow sufficient time to plan how best to deliver health care.

This is almost a revolutionary way of dealing with this issue, Mr. Secretary, and the bill is on its way to the President for his signature.

We know that the VA has faced the issue of caring for our returning servicemembers and the veterans of previous conflicts. We have the dual challenge of meeting both needs, especially in the areas of traumatic brain injury (TBI), musculoskeletal conditions, post-traumatic stress disorder treatment, and maintaining excellence in specialized service and addressing access to care issues. These are challenges that we are working on together and challenges we must meet as a Nation.

Mr. Secretary, across the Nation, veterans who applied for benefits under the Post-9/11 GI Bill are experiencing problems. This bill was a proud accomplishment of this Congress, but we have been told that payments are being delayed because of overwhelming problems in the universities and at the Department of Veterans Affairs.

Although you have taken the lead in issuing emergency \$3,000 checks to students, many veterans still say they do not know when they are going to get their full payments. We hope that ongoing implementation will catch up with the demand. Of course, we are looking forward because I think these veterans will be able to take part in the economic recovery of our Nation.

We are also faced with the issue of providing benefits earned by veterans in a timely fashion. The VA must address the growing backlog of claims filed by those that served in uniform. We must

tackle this issue that stymies our wounded veterans from receiving the benefits they earned and deserve.

Mr. Secretary, we are looking forward to hearing your views on the successes and the challenges that face us and our veterans. We are anxious to hear how we can help you address these issues. We are grateful to you as well as the devoted employees in the VA for the dedication to veterans that you demonstrate day after day.

No matter where we stand on the current conflict as a policy issue, we are here today because we must be united in seeing that our brave servicemembers are welcomed back with all the compassion this grateful Nation can bestow.

Mr. Secretary, again, welcome to the hearing.

I will recognize Mr. Buyer for an opening statement.

[The prepared statement of Chairman Filner appears on p. 38.]

OPENING STATEMENT OF HON. STEVE BUYER

Mr. BUYER. Thank you, Mr. Chairman. I appreciate your comments and I associate myself with your comments this morning. I appreciate the words that you have spoken today.

The CHAIRMAN. You want me to have a heart attack?

Mr. BUYER. I would like—well, I almost did. But I am okay now. I like it. Colonel, you did a good job with those remarks this morning.

I do not know. General, you might want to get us right now. Good morning. And I welcome everyone to today's hearing and I would thank all the Members for their attendance. It is a pleasure, Mr. Secretary, for you to be back.

And I am not going to apologize. I guess sometimes I prefer to call you a General because I look at you as a soldier and I think a lot of the judgments that you make on behalf of veterans, you do it through the prism of a soldier. So when I may refer to you as General, I do not mean any disrespect for your present title as Secretary.

These first few months that you have taken over have been challenging, but I want to congratulate you in how you have formulated your staff and the way you have also been a pretty good student. Too often I think Americans are open to the criticism that we get so eager to move toward solutions that we do not pause to thoroughly understand the problems.

And so you have come in to put your own eyes on some of these challenges throughout the Department, all departments, and I want to compliment you for doing that.

There is no shortage of critics when it comes to the VA and there are a lot of people who are very anxious to tell you how to do your job. And you have stepped forward to provide strategic guidance and to do the very best you can. And for that, I extend my compliments and gratitude.

The challenges that you have stepped into is almost a runaway train and so how do you stop that train? Do you get in front of the tracks? Do you try to derail? Do you try to slow it down?

And some of those challenges deal with the backlog of disability claims that continues to expand. And the 64,000 veterans that have enrolled for classes and the fact that only 41,500 have received the

payments under the new GI Bill, you have taken some corrective action, but the challenges remain.

The discoveries of egregious medical errors hamper the Veterans Health Administration (VHA) and it continues over time. I have been on the Committee for 17 years and every Secretary after Secretary after Secretary continue to provide maintenance to a health system that continues to have quality assurance and risk management issues. Every health system seems to have them. So it is a job that never seems to end.

I know you realized, even prior to your confirmation, that you were taking on these enormous challenges. What has become evident, what I find encouraging is that you are a man of principle who is forthright about the areas of the VA programs that require improvement.

I had learned in my work with you when I served on the Armed Services Committee that you embrace military values and that you apply these values when you face these challenges. That is why I think I prefer to call you General.

We will strive to help you in any way we can and we view you as a partner in our efforts. This requires taking a hard look at where we are and charting the course ahead. So I look forward to our frank discussions. And you have been very candid with me in private discussions as we seek to provide cures.

To start, though, is the troubling problems surrounding the ever-expanding backlog of claims for disability benefits. Since January, the backlog has ballooned by 14 percent. The current data indicates now that 36 percent of the VA's claims inventory exceeds the strategic target of 125 days.

You and I are both aware that the only real solution to correcting this tremendous disservice to our veterans must include the development of an adjudication system that reduces the errors and is based on advanced technology that is electronic and paperless. And you brought that up the other morning at a breakfast.

I am curious and I would like for you to share with us that after months and months of efforts in selecting a private contractor capable of performing such a large-scale integration, the VA had canceled that contract. And we were not informed of it.

So if you could let us know as to why that contract was canceled, I think it would be helpful to us because I do not want there to be criticism then that says, well, you canceled a contractor and, therefore, does that mean that we went back to square one and we have got another year or more before such development can begin to take place? What did that, in fact, contribute to the backlog? And I want you to have the opportunity to explain that.

I also believe Congress should accept some of the blame for creating such a complex and difficult benefit to administer. The burden, though, I will acknowledge that we created this challenge and the burden lies upon you to supervise and find a way to prevent the delays that are causing the financial difficulties for veterans whose sole focus should be on their studies with regard to the new GI Bill.

I applaud your recent action and that is why I associate myself with the Chairman's comments regarding the emergency payments that enable veterans to pay rent and eat regularly. All of us on the

Committee, I think, have had to deal with these complaints and concerns coming from veterans from our Congressional districts who are now trying to obtain the GI benefit. We need to fix the program and I am here to offer you whatever assistance we can provide.

You and I had a conversation about technical legislative corrections, that there are some corrections that you can do through your executive powers, but there are other corrections that maybe need to be legislative. So I look forward to working with the Chairman and Members of the Committee and Ms. Herseth Sandlin and Dr. Boozman on moving a way forward to do that. But we need to hear from you.

I would suggest a few items that may make the VA's job a little easier such as making an initial stipend payment to the veterans for all title 38 education programs for 2 months that would be recouped over the academic year or delaying payments to schools until later in the semester to avoid over and underpayments of tuition and fees due to changes in the veteran's schedule.

Another idea would be to require veterans in the new program to verify their status on a monthly basis just as in the Montgomery program as a means to lessen overpayments.

It is also time, and I will throw this on the table for consideration, I think it is time to standardize the rules across the chapters, Chapters 30, 32, 33, and 35. It makes no sense to continue the varia of the administrative procedures across all of those programs. In my view, as you are trying to move toward an information technology (IT) solution, there should be one set of rules for everyone. And I hope the Department will work closely with the Committee to accomplish a consolidation of the programs.

Another area of concern is the patient safety. It was reported back in March that the VA potentially exposed 300 veterans to endoscopes that were not properly disinfected. That number now, I think is now, the pool, risk pool is in excess of 10,000. And I know this is a great challenge that you face and you are off your heels and on your toes to make corrective actions. Any updates you can provide us on that would be helpful.

I read your statement last night and so I see where you have addressed the patient safety issues, but it is an area of great concern and requires your continuous maintenance and forethought.

I appreciate you being here today and we look forward to your testimony.

With that, I yield back to the Chairman. Thank you.

The CHAIRMAN. Thank you, Mr. Buyer.

Mr. Secretary, the floor is yours.

**STATEMENT OF HON. ERIC K. SHINSEKI, SECRETARY, U.S.
DEPARTMENT OF VETERANS AFFAIRS**

Secretary SHINSEKI. Thank you. Mr. Chairman, Ranking Member Buyer, distinguished Members of the Committee, thank you for this opportunity to report on the state of the Department of Veterans Affairs.

I apologize to the Chairman and Members of the Committee for the late arrival of my written testimony to this Committee, but I ask Mr. Chairman that it be allowed to be included in the record.

The CHAIRMAN. It shall be. Thank you.

Secretary SHINSEKI. I appreciate this Committee's longstanding support and commitment to veterans. And I mean that sincerely. It comes through rather clearly on all of our engagements, but it is demonstrated once again by your passage of the advance appropriations measure for VA. And I will add my comments here to the Chairman's and Ranking Member's—this is a tremendous opportunity for VA and I thank this Committee very much for its support.

As the Chairman pointed out, I understand the measure is on its way to the President. And so, once again, I congratulate the Members of this Committee on behalf of veterans.

Let me also express my thanks to the Congress and the President for a 2010 budget that has provided the Department an extraordinary opportunity to begin transforming itself. We are determined to provide a return on that investment, a return that veterans deserve and that you, on this Committee, expect.

I would like to acknowledge the presence of representatives from some of our veterans service organizations who work with us quite closely. They help us meet our obligations to all veterans.

In the last 8 months, I have learned a lot. I have learned from veterans I have engaged individually, collectively, in groups as I have encountered them, learned from Members of this Committee, from the VSOs, we have worked with the major ones, from my own employees who come to work every day to serve veterans. And I thank the Chairman for his remarks about our workforce.

I visited VA facilities across the country, large, small, rural, urban, and received detailed briefings from each of the 21 Veterans Integrated Services Network (VISN) directors, dedicated time for them to talk to me about their requirements, tell me about their priorities, talk to me about how they measure performance and quality and safety inside their operations, and then listened to them talk about their resourcing, what they have been able to do, what more they want to get done, resources in terms of people, money, time.

I thank the Ranking Member for his comments about my previous profession. I am very proud of that time and my opportunities to work with the Congress.

I am a soldier and a veteran. I would just say that I have stood on lots of ranges watching good organizations challenge themselves to get better. Not unlike those organizations, I find myself right now standing on a range with the VA, a VA that is deeply committed to veterans, and challenging itself to be better. I intend to help them get there.

When I first appeared before this Committee this past February, I provided three vectors that I intended to begin to focus on to begin the transformation of VA. These were not visionary. These were just tried and true rules that I have carried with me for a while—people-centric, results driven, forward looking. Those vectors remain unchanged.

As proud as I am of what we have accomplished overall in the last 9 months, there have been, as both the Chairman and Ranking Member have pointed out challenges, missed opportunities, and

gaps in providing the quality care and services veterans deserve and expect.

In recent months, I have discussed with Members of the Committee VA's shortfalls in timely delivery of Post-9/11 GI Bill benefits, localized lapses in medical quality control, erroneous Amyotrophic lateral sclerosis (ALS) diagnosis letters, and IT programs that were not meeting our expectations.

We have aggressively disclosed these issues when we have discovered them to establish high standards and accountability and transparency. We will continue to do that.

Most of the shortcomings were discovered by our own staff and then publicly disclosed. In each case, we notified the Congress, VSOs, veterans, and the public. Forthrightness was the right thing to do and transparency, I am convinced, will ultimately result in a higher level of trust and the quality and the safety of VA's services.

Complications in implementing the Post-9/11 GI Bill required VA to make advanced payments to affected veterans to cover their expenses and to relieve their uncertainty and stress. There are many reasons for those complications, but the delays were unacceptable.

Advanced payments remain in effect. That is the emergency procedure we put into effect 2 weeks ago. Advanced payments remain in effect as we mature our IT tools to assure timely delivery of checks in the future. And I am hopeful that in early November we will have the phase three automated tool for our use.

VA's IT issues, the third of those topics, are significant. Many projects are challenged by the inability to meet costs and scheduled performance measures. So we implemented a program called PMAS, Program Management Accountability System, this past June to address those problems. We expect to bring all IT projects under PMAS within the next year.

The first 47 programs were placed under PMAS in mid July because of our concerns. We paused 45 of them. Many of them were over a year behind schedule. Over the last 60 days, 17 of those projects were committed to near-term dates and 15 met those committed dates. Thirteen projects were replanned and have been restarted. Fifteen projects have been stopped or reduced in funding.

Likewise, more broadly at VA, we have a strategic management process in place now. It has just been put into place. It is a fledgling effort here to manage our assets at the strategic level. This is designed to improve the quality and the accessibility of care and services, to increase veteran client satisfaction with the health care and benefits we provide, to raise readiness in providing services and protecting people and assets during crises, and to improve internal customer satisfaction with support services.

Every day 298,000 people come to work at VA to serve veterans. Their dedication and their good work are the driving force behind successful innovations and effective collaboration that is accomplished inside the VA.

Employees in our Office of Information and Technology (OI&T) and the Veterans Benefits Administration (VBA) collaborated with the White House to solicit original ideas from VA employees and participating VSOs ranging from improving process cycle times to improving veteran satisfaction with the claims process. Over 3,200

process improvement ideas have been received in this effort, and all of them are under review.

Last Friday, a long-term collaborative effort between VA, the U.S. Department of Defense (DoD), and the Congress came to fruition and legislation formally establishing the Federal Health Care Center in North Chicago (FHCC), a collaborative effort of both departments, the DoD and VA, and the Congress that results in the FHCC, the Federal Health Care Center, merging two entities, the Great Lakes Naval Hospital and VA's North Chicago Medical Center, a hugely difficult task, two cultures, many different processes and systems. The result is a model for the future in how we provide care to our veteran, active duty, Reserve component clients and their families.

Three weeks ago, VA employee, Dr. Janet Kemp, received the 2009 Federal Employee of the Year Award from the Partnership for Public Service. Under Dr. Kemp's leadership, and the innovation of her team, VA created the National Suicide Prevention Hotline to help veterans in crisis. In just over 2 years, the hotline has received more than 185,000 phone calls, an average of 375 per day, and interrupted over 5,200 potential suicides in progress.

In the last year, the dedicated professionals of our National Cemetery Administration, the NCA, provided honors and final resting places to over 107,000 veterans. NCA consistently meets the needs of interring our heroes and exceeds the expectations with regard to care and compassion for their surviving families.

We are determined to move forward in 2010 with critical new initiatives for veterans, everything from reducing homelessness to providing better rural health care, developing programs to better serve women veterans, raising our quality and safety standards in health care, and improving our infrastructure.

Our mission is to serve today's veterans and prepare for tomorrow's veterans by increasing access to VA benefits and services providing them the highest quality and best value available in health care.

Informing veterans about their choices and earning their confidence in our insurance, our health care, education, home loans, and counseling programs will allow VA to be a provider of choice and serve as an example of good governance for others seeking similar outcomes.

Our Nation's 23.4 million veterans deserve consistent, timely, high-quality delivery of benefits and services. They put themselves on the line for our safety and our well-being. Young men and women continue to do so today and we must anticipate, develop, and deliver the benefits and services they will require as they leave military service in the years ahead.

Again, Mr. Chairman and Members of the Committee, thank you for this opportunity to appear here today. I look forward to your questions.

[The prepared statement of Secretary Shinseki appears on p. 39.]

The CHAIRMAN. Thank you, Mr. Secretary.

I will give the opportunity to all Members to interact with you.

Ms. Brown.

Ms. BROWN OF FLORIDA. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, for coming here today. First of all, let me thank you for participating in the Congressional Black Caucus Annual Legislative Conference. It was well received. We had standing room only, 12 former generals, so you can see there is a great interest in the VA and its policies. It was interesting and informative.

I appreciate the announcement you made yesterday adding Parkinson's and some other service-connected presumption, disease relating to Agent Orange. Thank you very much. This common sense and compassionate decision will make life easier for many of our veterans.

I also want to thank you for helping to move along the Orlando hospital that has been in the making for over 25 years. It is just unacceptable that it takes 25 years from the planning until we actually implement a hospital that is greatly needed.

In addition, we have been having lengthy discussions for over 3 years discussing the medical clinic in Jacksonville. I want to thank you for your intervention and I hope this project will move along.

Last, I want to mention that 5:00 yesterday morning I was watching television and they discussed the VA and the GI Bill. They clearly do not have it correct. I think it is important that we all inform the news media as to the process. It is a process that includes not just the students, the VA, but also the institutions. They have a responsibility to verify that the student is enrolled and in good standing and have not dropped and added so they can receive the funds. So it is a partnership. And the news media and the veterans and the institutions need to understand the process. And I think we need to do a better job in educating the community.

So thank you again for being here.

The CHAIRMAN. Thank you, Ms. Brown.

Ms. BROWN OF FLORIDA. May he respond.

The CHAIRMAN. Yes.

Secretary SHINSEKI. Congresswoman Brown, thanks for the comments on both medical centers. I have assured you and I will do it again here that the Jacksonville clinic has my attention. I am still working through some of the what I will call delays, because I do not know, I cannot categorize them any other way. But at some point, it is my intent to bring all parties together. And if you are willing and able, you and I will hear the issues out and make sure this moves forward. My intent is to have this move forward. It has languished long enough.

And then a follow on to that. There, I think, is a requirement to provide another health care entity that services another group of veterans that lives on the outskirts to the west and north of downtown Jacksonville. We have that in planning and it is our intent to put that in the queue as well.

Ms. BROWN OF FLORIDA. Thank you.

And can you discuss the GI Bill, this wonderful program that we are having some challenges with, but it is a win-win for the veterans, and for the community, especially in these hard times. The opportunity to go back to school and retrain is a win-win.

Secretary SHINSEKI. Yes. I have been very clear about how important this program is not just to the VA but to me personally. It is, you know, an aspect of myself coming back from Vietnam and

having an opportunity to go back to do graduate schooling. I understand the importance of this program.

But it is even more important to the country. The potential that will come out of this if we go back and look at what happened after World War II, what that program provided to our country in terms of leadership for the second half of the 20th century, that is what we are about to realize here. And the VA has an important role to make sure this happens.

I would just, for those in the Committee who share a little experience with me about things military, we do a lot of planning. The first paragraph in most military plans is listed as assumptions. We do that because we know we do not know all the facts. And when it comes time to execute a plan, we must reroll each assumption and if they do not bear out, we have to do something about it.

And so that in a simplistic way describes what happened here. A plan was written, very quickly put together, very short timelines. I am looking at the certificates of eligibility being processed on 1 May, enrollments 6 July, checks having to flow 3 August, a very compressed timeframe. And in order to do that, we essentially began as I arrived in January putting together the plan, reviewing the plan that was there and trying to validate it.

I will be frank. When I arrived, there were a number of people who told me that this was simply not executable. It was not going to happen. August 3rd was going to be here before we could have everything in place. I consulted an outside consultant, brought in an independent view, same kind of assessment. Unless you do some big things here, this is not possible.

To the credit of the folks, the good folks in VBA, they took it on and they went at it hard. We hired 530 people to do this and had to train them. We had a manual system that was computer assisted, not very helpful, but that is what they inherited.

And we realized in about May that the 530 were probably a little short and so we went and hired 230 more people. So in excess of 700 people were trained to use the tools that were coming together even as certificates were being executed.

We were short on the assumption of how many people it would take. We based our numbers on the Montgomery GI Bill which is about a 15-minute procedure. The Chapter 33 procedures, about 1 hour on average, maybe 1 hour and 15 minutes. So right off the bat, we had some issues with assumptions.

We are still receiving certificates of enrollment. This week alone, we received 3,600 certificates of enrollment coming from schools who are working through the process and we put them into the process of providing those checks, three checks.

The great thing about a good organization is when you do not get the assumptions right, you react and the reaction was students needed to be in school. We needed to get checks to them. In a week, the VBA put together a plan and we paid a number of veterans who were in need of help.

As I look forward, and to the Ranking Member's questions about what could we do differently, of course, we will look hard at the assumptions for at how many more people we should have for the future.

But one of the things that has tied up the process is right now we have to wait for the certificate of enrollment to come from a school before we can make all three payments, a tuition payment to the school, a housing payment to the student, and a book payment to the student.

If we can decouple that, and I may need the help of the Committee on this, if we can decouple that, I am more than willing to pay, as has been suggested, housing and books separately in advance and then let the tuition follow the normal course at the rate that the colleges and universities are comfortable with.

Barring that, I am prepared to do an emergency exercise probably in January for the spring semester and we are capable. We have learned a lot and we will be better at it. So we are prepared to not have the pinch that we had here in September. But, again, we adjusted to the assumptions that did not bear out and we learned from it. We will make improvements in the future.

Other things we are doing is we have the phase three automated tool coming out in November. I expect that will clear up all the backlog that may exist in all of our educational programs, not just the Post-9/11 GI Bill, and we will enter the spring semester with no backlog.

Ms. BROWN OF FLORIDA. Thank you so much and thank you again for your leadership.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. BOOZMAN.

Mr. BOOZMAN. Thank you, Mr. Chairman.

Again, we appreciate your service. You are a very talented guy and you could be doing lots of different things and yet you have chosen to serve veterans.

I think we can all be very, very proud of the new GI Bill. I mean, that is a tremendous thing for our men and women in uniform and it is just great, and for our veterans. I think we do have some problems. You know, it is not the VA's fault. You guys have been working very, very hard to get this done. But the bill, the way that we set it up, and, again, you do not realize unintended consequences sometimes until you get into things, this is a big deal, but I do think the decoupling, you know, some of the things that you mentioned, you know, that we are pushing on the right track in that regard.

And certainly I know I am committed. I think Ms. Herseth Sandlin and I are committed to whatever it takes and our leadership on the Committee to, if we need a legislative fix, to get that worked out.

This is a little thing, but one of the things that I get a lot of mail about, and perhaps, you know, VA can help, is there is a lot of anxiety right now among veterans that somehow they are going to be caught up in the new health care system and be folded into that.

And I think that you know that is not going to happen and anything that VA can do in putting out your statements and things, I think it would be helpful to reassure veterans that the VA system is going to continue. When I am around my Legion halls and things like that, there is just real concern among our seniors that again somehow that is going to happen.

The other thing is that, you know, right now I am a guy that thinks all of us every day needs to wake up and think what are we going to do to create jobs, you know, what are we going to do to protect pension plans and things like that. With this economy, again really focusing your efforts, and I am not saying that we are not doing a good job of doing this, but I do think that VA right now really needs to really focus in helping to put our veterans back to work.

These men and women coming back from overseas, it is very, very difficult right now. And I would just encourage and ask, you know, that that be a real focus so that we do not get behind in that regard. It is just very, very tough in the economy as you know.

Secretary SHINSEKI. Thank you for those comments.

I share your concerns. All of us are focused on entry into the college environment on the front end of the Chapter 33 Post-9/11 GI Bill.

I have told the young veteran students I have met with all of us are excited about this. I am focused on graduation rates. There is no return on this unless you graduate and then we help you be positioned in the workforce.

So it is a broader look for me as I look at this. And so much effort has put into making sure we get the front door open so we have students in school. And I have sort of deferred the second piece and that is looking at the graduation process and then jobs after that.

In the meantime, I do know that college is not necessarily a choice for every veteran coming home and we need to give them options that allow them to get vocational training that they want, administrative training that they need to move them very quickly in the workforce and not at the low skill level but at an appropriate level given their leadership skills, their operational experience, the kinds of decision-making they have been doing in uniform for 3 or 4 years. That needs to be part of the calculation when we assess their capabilities.

Mr. BOOZMAN. Thank you, Mr. Secretary.

The CHAIRMAN. Thank you.

Mr. Michaud.

Mr. MICHAUD. Thank you very much, Mr. Chairman.

And I want to thank you, Mr. Secretary, for all the work that you are doing for our veterans and thanks for coming here this morning.

I have a couple of questions and appreciate your willingness to also focus on issues that affect veterans in rural areas. My couple of questions are, one, a number of years ago, this Committee and Congress established an Office of Rural Health to focus on rural veterans' issues. I know that the position is open, I believe, now for the Office of Rural Health.

How soon do you intend to fill that position as well as what type of individual will you be looking to fill the position for the Office of Rural Health?

The other question I have is, Mr. Moran and I were able to pass legislation dealing with four pilot projects nationwide to help address some of the issues in rural areas. It is my understanding that it has been slow in getting started.

I wanted to know what implementation problems do you see as it relates to the four VISNs' pilot projects moving forward at a more rapid pace than what it has in the past.

And my last question is, you mentioned you met with the VISN Directors to talk about some of their needs. One of my concerns dealing with VISN Directors is how it might filter down in rural areas.

For instance—I will use Maine as an example—it takes over 8 or 9 hours to get to the—you know, from one end of Maine to Boston. When you look at the VISN office in Boston, they are concerned that VISN might not be the same as in Maine when you look at the whole issue under the Capital Asset Realignment for Enhanced Services (CARES) process where they recommended several community-based outpatient clinics (CBOCs).

The problem that we ran into over the years serving on this Committee is that a CBOC's funding comes out of the operating budget cost for the VISN. So you might have a VISN Director whose funding for that VISN might not be adequate. Therefore, they are not going to move more aggressively as they should on the CBOCs to really address some of the rural health care issues.

I want to know what you have done to look at how the funding for the CBOCs is dealt with as it relates to the VISNs.

Thank you.

Secretary SHINSEKI. Thanks, Mr. Michaud.

This is an area that I have not quite figured out. I know that in our geographical definitions of where the VA sees itself located, and I have shared with this Committee urban, rural, highly rural, so two-thirds of our definitions have rural associated with it and, yet, when I go and look at our processes, they are very heavily focused on the large medical centers and primarily urban settings.

And while there is outreach to the rural areas, I am yet to be convinced that it is to the point where I can say that a rural veteran living in location X gets the same access to quality health care as someone in the Bronx. I just cannot say that right now.

Part of this hesitation on my part is to try to figure out how the money flows through this process and that is part of the reason why I had 21 VISN Directors come in, share with me their priorities. And I will say that while rural care came up, it was not high enough on the discussion point either on my part or theirs and I need to go back and do more work.

Following those 21 VISN Directors, I have asked for a cross-cutting review of a number of programs. Women's program is one. Rural health is another. Telemedicine is a third. So that I have an appreciation for what you are asking me, is how does this fit out there.

In a progression of delivering health care from medical center centric through an outreach effort, through CBOCs, through outreach clinics, through mobile clinics that try to address the needs of veterans where they live and the longest reach for veterans as you describe in a rural area. I do know that four VISNs were engaged in this pilot. I was not aware that we were lagging in execution. I will make it a point to look into this and I am happy to provide you a report on what I find regarding them.

Mr. MICHAUD. What about the Office of Rural Health?

Secretary SHINSEKI. The Office of Rural Health is established. In fact, the cross-cutting 3-hour briefing that I received was provided to me by the Director of that office. And in her presentation, she had VHA present, Members of VBA present so that the discussion was indeed cross-cutting across VA.

Mr. MICHAUD. My question was, it is my understanding that that position is vacant or will be coming vacant very quickly and what type of—how quickly will you be able to fill that position and what type of individual will you be looking—

Secretary SHINSEKI. It may be coming vacant. That I need to verify. But I will assure you that we will fill that expeditiously if it is, in fact, being vacated.

[The VA subsequently provided the following information:]

Question 1: Is there, or will there be, a vacancy for the Director of the Office of Rural Health? What will VA look for in a person to lead that office?

Response: Yes, there is a vacancy for the Director of the Office of Rural Health effective November 7, 2009, and recruitment efforts have already begun. The Department of Veterans Affairs (VA) is looking for a candidate with the following knowledge, skills and abilities:

1. Knowledge of the issues facing rural Veterans in accessing VA health care;
2. Demonstrated skills in administering a complex program of existing services, and the ability to develop new services in response to Veterans' needs;
3. Experience leading a program in an organization as complex as VA, along with the ability to work effectively with multiple internal and external stakeholders;
4. Demonstrated ability to keep abreast of major changes in trends or advances in rural health care and to assess the impact of proposed changes, legislative or programmatic, on the VA health care system;
5. Knowledge of the mission, organization, program, policies, and procedures used in the VA health care system and related Federal (Centers for Medicaid and Medicare, Department of Defense, Indian Health Service) and private sector health systems would be desirable; and
6. A clinical background to understand the health needs of Veterans and the health care delivery system would be highly desirable.

Question 2: Please provide a status update on the rural health pilot project required by section 403 of Public Law 110-387.

Response: VA continues to work through complex issues associated with implementing the pilot programs, such as transferring medical information and ensuring Veterans receive quality and coordinated health care. There are two issues that have impacted timely implementation of the pilot program: first, the definition of highly rural areas, and second, the statute's provision that VA develop regulations defining "hardship." The first issue developed because the legislation defines highly rural areas differently than VA does, so our analysts had to reconfigure data systems to determine what areas are highly rural based upon distance from VA medical facilities, as the statute requires, rather than drive time, as VA has historically done. VA notes Congress is considering legislation that would resolve these issues, but in the mean time, VA is developing an implementation plan for the statute as written.

To date, VA has:

- Determined which VISNs meet the statute criteria (VISN 1, 6, 15, 18, and 19);
- Established an interdisciplinary work group to examine the cross-cutting issues associated with implementing these pilot programs;
- Investigated acquisition, clinical, communication, evaluation and oversight issues, among others;
- Communicated closely with appropriate stakeholders, including staff from the House and Senate Veterans' Affairs and Appropriations Committees and staff from Congressman Moran's and Congressman Perriello's offices;
- Analyzed and addressed complex issues associated with reconfiguring data systems to evaluate Veterans' eligibility for participation in the pilot program, developing a participation form for Veterans and drafting a potential definition for the statute's hardship provision; and
- Developed an implementation plan currently undergoing internal review

In the coming months, VA will assess which Veterans will be potentially eligible to participate and finish coordinating the implementation plan and begin addressing

pre-implementation items. VA will keep the Committee informed of further progress.

Mr. MICHAUD. Thank you.

The CHAIRMAN. Thank you, Mr. Michaud.

I would just like to point out, Mr. Secretary, that you are the first cabinet Secretary in the history of this republic to say that you have not figured that out yet. I thank you for your candor.

Mr. Roe.

Mr. ROE. Thank you, Mr. Chairman.

First of all, the GI Bill, I am very appreciative because I was able to use the GI Bill and I remember the \$300 a month that I got was very helpful at that point in time as a student. And I am very grateful to the VA for that.

And I think that these problems in the GI Bills we talked about last week in your office are manageable problems. I think these are fixable and it is a learning curve. There is no question about that. And you have gone to some extraordinary circumstances to try to solve this problem.

And you are absolutely correct. What will happen is this will create the next group of leaders in our country. There is no question that will happen.

Just a couple of things. On the rural, one of the problems with rural medicine or the CBOCs, they are not glamorous. We, as doctors, like to work in big hospitals and we call them the mother ship where everything, all the equipment and all that is. But the real care goes out in these outpatient clinics. That is where you can prevent the use and it is a very inexpensive way to provide care and preventive health care. So I think we ought to encourage that. But what Mike said is something that we ought to really work at big time.

One of the questions I have, and we talked about it the other day somewhat, is homelessness among veterans. It is a real tragedy in America that we have the richest Nation in the world and we have veterans who served this Nation and who are homeless. So just a couple of comments from you on that.

Secretary SHINSEKI. Let me just touch the comments on rural health. I agree with you. And I would say that this a concept of delivery of health care that probably began about 10 years ago, maybe a little longer in VA, and that was the movement from the medical centers to provide delivered health care where 80, 90 percent of your day-to-day requirements are being taken care of in CBOCs and then outreach clinics and so forth.

What that has done for us is to provide great emphasis on primary care practitioners and allowed us to get into the prevention health care model that veterans only go to the mother ship, as you call it, when they have to for acute care or tertiary care.

And for our own purposes, when they go there, they are exposed to lots of things we would rather they not be exposed to. So taking care of business locally has other benefits as well.

The next step, I think, in this delivered health care for the rural environment and maybe even the chronically ill patient is our investment in telehealth, telemedicine. It will allow us to provide that quality of care and contact with a health care professional, specialist in a way that will provide better day-to-day monitoring

rather than waiting for someone to feel badly enough to come in for help, that the chronically ill can have their vital signs monitored day to day.

On the issue of homelessness, if I can move to that, I think I have mentioned that 131,000 veterans is the estimate who live on the streets of our country, sleep on the streets of our country every night. VA is committed to taking 131,000 veterans off of our streets in the next 5 years, a big task that we have taken on, but not doing it lightly, doing it with the intent to address all the other things, the missed opportunities that result in homelessness, jobs, education, mental health issues, dealing with depression, substance abuse, providing safe housing for veterans, getting them off the streets.

It is more than just the issue of getting 131,000 people off the streets. That is sort of a physical challenge. If we are going to do this and sustain the gains we intend, we have to address all the other issues here and do better at job counseling. And we are working with Secretary Solis and the folks at the Department of Labor, working with Education, working with small business, and trying to raise the competitiveness of veterans either as workers or as owners of small businesses.

In the VA, we have a veterans first contracting process and I am happy to report that we have done quite well in getting veterans competitive in that environment. The reason it is important for us is that our track record shows that veterans hire veterans. They know what they are getting. They are comfortable. They are not unknown quantities. So in a sort of larger discussion here stemming from homelessness to our priorities for giving veterans and veteran-owned businesses the opportunity to compete, I think all of it is in the discussion.

Mr. ROE. Thank you, General.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hall.

Mr. HALL. Thank you, Mr. Chairman, Ranking Member Buyer. I would like to associate myself with both of your remarks and those of many other Members here in thanking and congratulating you on your work so far and at the same time not ending the daunting task you still have before you.

I was impressed when we met last week and you said that the message you are trying to communicate down through the 290,000 some people who work at the VA can be summed up as the answer is yes when the veteran is sitting across the desk. When a veteran comes in for help, asking for a solution to their problem, the answer is yes. Now let us figure out how to define the question and how to get there.

And that is so much appreciated. I have repeated that a couple times to veterans in my district and they are cheering for you.

We had, last week in my district, a job fair at the Castle Point veterans complex that was jammed packed and featured private sector and public sector folks who were there to talk about what jobs were available, who was hiring, what training was being offered. And there were many veterans taking advantage of it. I hope that is something that is, and I assume that is, something that is going on across the country and not just in our district.

The clinic in Goshen, by the way, the outpatient clinic, is new and running like clock work. The Director of Hudson Valley Healthcare gave me a brief tour. Every examining room was full. The ophthalmologist was seeing somebody. The dermatologist was seeing somebody. The general practitioner was seeing somebody. The cardiologist was seeing somebody. There were two people in the waiting room. And he said that their goal is not to have anyone wait longer than 5 minutes.

And as Dr. Roe was saying, this is where you can really do, especially in these, not necessarily—of course, you need the big hospitals and certain things only can be done at the large hospitals. But if our more rural outpatient clinics can be run as this one is run, then I think VA is an example of how, as the Director himself said, how government actually can run health care efficiently.

I have a couple of questions specifically. As you know, we passed a bill last year, the “Veterans Benefits Claims Modernization Act,” which required VA to submit in reports examining the effectiveness of various practices of the VA, in particular the work credit system, fully developed claims, hiring medical professionals at the VBA, and an evaluation of work training programs. And I was wondering if you could tell us what is the status of those reports.

Secretary SHINSEKI. I am not quite sure the status of the report, but let me just provide you a sense for what we are looking at in terms of claims processing. I think this is the focus of the report.

We have three initiatives underway right now, one in Little Rock, which endeavors to relook our entire business process and make sure we have that right. We have another pilot underway in Providence that attempts to take information technology and apply it to our business processes to see what kind of benefit we get out of that. And in March of next year, we are standing up a virtual Regional Office that is going to be entirely IT focused in Baltimore.

And between these three projects, we hope to get the kind of momentum in dealing with the backlog and claims processing that to this point have been basically incremental.

At a time when we close out 85,000 claims and get in 89,000 new ones, it suggests that this is not just a numbers game. This is a bigger set of challenges.

We have also opened up innovation discussions with the White House, with VBA, and OI&T and turned to the workers in VBA, the folks that do the claims processing, and asked them for good ideas on how to reengineer this process.

We right now, in 10 days, have 3,200 recommendations and a quick review, that is 3,200 good ones of what came in. So we are putting all of this together and we hope to have some solutions for the challenges we have been struggling with here, at least for the 9 months I have been here. And we will try to put this in some form to meet the reporting requirements that you have outlined.

Mr. HALL. Thank you, Mr. Secretary. I have other questions I will submit in writing.

And thank you, Mr. Chairman.

[No questions were submitted.]

The CHAIRMAN. Thank you, Mr. Hall.

Mr. Walz.

Mr. WALZ. Well, thank you, Mr. Chairman.

And, Mr. Secretary, as always, thank you for your service and your continued service and to your family for having you here. I know how much time you put in.

A couple special thank yous and to Chairman Filner on this. The ruling on Parkinson's this week was wonderful. And I know Chairman Filner was out in my district, in Rochester, Minnesota when the Grahams came to him and a lot of our folks out there are thankful for that.

And I think the process worked right there. We heard from veterans. We waited for the data. We let it be a data-driven, scientific process. We came to a conclusion and we did not waste time. We made a decision. So I thank you for that.

I would also like to say, as Dr. Roe said, the GI Bill for my father and myself were the reasons we had college degrees and moved us through the middle class. And so having that expanded is something that all of us take very, very personally.

And I would have to say I appreciate your references, Mr. Secretary, on assumptions and being on a range. As a fellow red leg, you and I both know that firing that howitzer is not the most important thing. Hitting the target is the most important thing.

And I will tell just a quick story. We, as we started to hear a little bit of the issues on the GI Bill, got a hold of our VBA folks in Minneapolis, sent them down a team of three to Winona State University last Friday, had all 34 of our veterans down there, 17 had been paid, the other 17 knew exactly where the status of their claim was and when it would be taken care of. And all 34 left with a great appreciation. And those VBA folks were there to say yes and to figure it out. So you are adjusting just well on this one and I think that is what is really critical. So I thank you for that.

Again, I sure do not want to sound like the broken record, but I am convinced and I think you maybe share this concern, Mr. Secretary, of getting at the systemic problems, whether it is claims backlogs, whether it is jobs as we heard Mr. Boozman talk about. I am still convinced we can do a better job of seamless transition, a better job of transitioning our warriors to veterans.

And I know the first step is the virtual lifetime electronic record (LVER) and we are getting there. I do believe it is the first step. I think there is an ability here to be more collaborative as you talked about in Chicago. We can squeeze efficiencies out of the system like we ask families and businesses. We can deliver services better at less cost by not being duplicative.

So I just have a couple of questions on this. The Offices of Seamless Transition in DoD and VA, what is the status of those, Mr. Secretary?

Secretary SHINSEKI. The Interagency Program Office, the IPO, my understanding is that we have a Director appointed. VA is to provide the Deputy and we have a candidate that is in the process of being interviewed right now. And I am hopeful that very shortly we will have a Deputy Director for that position as well.

In fact, our position was filled by an acting individual who was tremendous, did a great job in that position, fully acceptable to everyone except there was a certain rank required for that position, which this individual did not have and unfortunately we could not

nominate him. We would have been very happy to nominate that individual.

Barring that, we have a candidate that is acceptable to both DoD and VA and we hope to have that person in place shortly.

Mr. WALZ. Mr. Secretary, I am appreciative of that, of where we are going. I spoke with Secretary Gates last week out at the Pentagon on this and he is, of course, incredibly supportive of understanding that as we use our warriors, we are going to have veterans and it makes sense to seamlessly get them there.

Are we doing a good enough job here in Congress of trying to meld this together, of trying to actually get to that? And do you think it would be helpful if we did something unprecedented and had you and Secretary Gates setting side by side to talk about this? Is it important enough to warrant that?

Secretary SHINSEKI. Mr. Walz, we would be more than happy. I think I am comfortable speaking for Secretary Gates as well. I think we would be happy to respond to the request.

But on the other hand, I also know that a tremendous amount of work on his part and on my part has gone into standing up and getting real progress here.

This all began when he and I were standing in line on the 21st of January, each of us waiting to be sworn in, and just a personal discussion about we need to do better here, had four and five meetings between us, and to a point now where in April, the President acknowledged that this was a major project and he charged both of us to develop a virtual lifetime electronic record.

And we have some major products out there. Out in San Diego, we have a VA hospital and a civilian entity now exchanging data electronically, Kaiser Permanente and a VA hospital out there. So we have with this effort to create VLER made some real progress in 9 months. I expect that there will be more. But, again, we are happy to provide the reports in whichever format.

Mr. WALZ. I absolutely agree. And, Mr. Secretary, and I recognize and I think many do and I think the VSOs recognize it, I think, in fact, you have made so much progress and you are being so up front about leading this, there is a sense of, this might finally happen after all these decades.

So if there is a kind of a sense of urgency or kind of a sense of that we are wanting more, there is actually a sense of optimism in the room that this is a real big leap forward. So I appreciate that and all the work you have done on it.

Secretary SHINSEKI. We have to do this. Sir, we have to do this. You know, on the one hand, we talk about the backlog issue. I mean, that is what happens if we do not put this in place.

Mr. WALZ. I agree.

Secretary SHINSEKI. Youngsters who do not get benefits on time or do not get processed on time, this is the result of our not doing this. We have got to do this.

Mr. WALZ. Well, I appreciate your focus on this.

I yield back, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Walz.

Mr. Moran.

Mr. MORAN. Mr. Chairman, thank you.

Mr. Secretary, thank you for joining us.

I appreciate the gentleman from Maine's comments about and his questions about rural aspects of veterans' care.

I wanted to focus on a point in your testimony about Priority 8 veterans, Mr. Secretary. You indicate in your testimony that a major initiative is to expand—the President has made a decision to relax the thresholds that were established in 2003 and you indicate in your testimony that up to a half a million new Priority 8 enrollees will be added to the VA system, health care system over the next 4 years.

It is my understanding that all that has happened to date is that there has been a ten percent change or a change of 10 percent in the threshold and that we have now enrolled another 20,000 Priority—what were formerly Priority 8 veterans. Twenty thousand and half a million is a significant difference.

What is the Department's plan over the next 4 years and if we enroll a half a million—how many veterans are in Priority 8 today that are not accessing health care? If we enroll another half a million, is that all the Priority 8 veterans or what remains of that group?

Secretary SHINSEKI. You know, one of the questions I have out is what is the size of the Priority Group 8 population. And there are some estimates. I do not have a good number for you today. But the 500,000 target by 2014 was seen as a major effort to bring Priority Group 8s into the inventory.

You are correct. We opened registration on 15 June and to this point, 20,000 have applied. We set an estimate of 266,000 in the first year out through 2010. So we are early in that process. Some of this may be outreach and informing people, so we have doubled up our effort to make sure people understand that this is available to them.

I expect the ramp will go up. But at this point, 20,000, you know, projected to the end of 2010 does not put us at 266,000. So I share your concerns.

But I would also tell you I have asked folks to go and take a look at all the other categories, 5 and 7 primarily. Priority Group 5 is up 89 percent. Priority Group 7 is up 149 percent. And what I am trying to sort of figure out is whether these were potential Priority Group 8 folks who met a qualification elsewhere or whether these are truly 5 and 7 category veterans who because of the economic pressure have decided to come to us.

There has been an increase in our ranks. That is clear. Priority Group 8s has not got off to the start we thought we might see, but it is still early in the process, the first month of the year. This could change over the course of the next 9 months.

Mr. MORAN. Mr. Secretary, what is the change in criteria that allows what you estimated to be 260 some thousand to be able to enroll in the current time frame and then what changes in criteria do you anticipate making that then would enable the total of a half a million to be enrolled within the next 4 years? What are the incremental steps that the Department is taking?

Secretary SHINSEKI. Well, the criteria has had no real change. That is the criteria that goes along with Priority Group 8, which is primarily economically based, qualification in terms of their—

Mr. MORAN. But you must be loosening that criteria in order to get more people eligible. And my question is, have you loosened the criteria and in what ways do you anticipate less restrictions, loosening the criteria to get to the full half a million?

Secretary SHINSEKI. Well, I can tell you that we have not loosened the criteria. The criteria was always there. I mean, it is defined in our Priority Group 8 descriptions, veterans eligible for enrollment noncompensable, veterans eligible for enrollment non-service-connected. So those do not change.

But it has to do with the economic conditions. At the time they were suspended, they were just taken out of consideration. Now that they are put back in, these criteria are not changed. They are the same criteria.

Mr. MORAN. Well, what causes then people to be eligible today that were not eligible before? Their income? Maybe that is the answer. Their income went down just due to economic conditions, so it is no policy change at the Department? It is just difficult economic times?

Secretary SHINSEKI. Veterans with income and/or net worth above the VA national income thresholds and the VA national geographic income thresholds who agree to pay a co-pay. That is the Priority Group 8 category.

And then within that category, veterans eligible for enrollment noncompensable, zero service-connected, and then various subcategories, then veterans eligible for enrollment nonservice-connected, veterans not eligible for enrollment, veterans not meeting the criteria above. So that is sort of the three criteria that describe the Priority Group 8. But, again, it goes back to income and/or net worth at or above national income.

Mr. MORAN. Thank you, Mr. Secretary. I will pursue this a little further with you or your Department.

Secretary SHINSEKI. I am happy to do that.

[The VA subsequently provided the following information:]

In 2009, VA opened enrollment to Priority 8 Veterans whose incomes exceed last year's geographic and VA means test thresholds by no more than 10 percent. Our most recent estimate is that 193,000 more Veterans will enroll for care by the end of 2010 due to this policy change.

In 2011, VA will further expand health care eligibility for Priority 8 Veterans to those whose incomes exceed the geographic and VA means test thresholds by no more than 15 percent compared to the levels in effect prior to expanding enrollment in 2009. This additional expansion of eligibility for care will result in 99,000 more enrollees in 2011 alone, bringing the total number of new enrollees from 2009 to the end of 2011 to 292,000.

Mr. MORAN. I appreciate your service and appreciate your attendance today.

The CHAIRMAN. Thank you, Mr. Moran.

Mr. Rodriguez.

Mr. RODRIGUEZ. Mr. Secretary, let me thank you very much for your hard work. I know in the short period of time that you have been there, you have had a chance to run across the country and visit, so I want to personally thank you. And also, in all honesty, I also want to thank you for serving our country the way you have and continue to serve as Secretary of the VA. So I personally want to thank you for those efforts and I feel real comfortable that you

are serious about getting things done and having to deal with the bureaucracy that we also have to deal with.

I know you have made some comments as it deals with rural veterans and ask you to continue, encourage you to move in that direction in seeing how we can best respond to those. I know that there is a pilot program that created four centers and wanted maybe later on for you to comment as to where we are at on that particular piece of legislation that created those pilot programs in trying to make something happen and whether we need mobile units to go out there.

I have 20 counties, 800 and something miles through the border. I make those counties quarterly and still come up here during most of the week. And so I would hope that maybe through some kind of mobile units or other responses, and I know that there are some efforts out there, but we need to continue to work on that.

I wanted to, and you might want to comment about that, but I want to comment about a couple of things. One, the suicide and congratulate you what has happened there. But I am hoping that as we not only talk to them over the phone that we go beyond that because if we have 300 and something calls a day that we actually maybe have caseworkers that reach out to those individuals, whether they might be suicidal or homicidal, and that we see what we might be able to do throughout the country. If we can prevent one suicide, I think it would be—I know it has been successful because I am sure it has done that already or at least one homicide. So I would ask you to comment about that.

But before I finish, I also want to move, because we deal with some 7 or 8 million veterans and there are 23 million out there, most of the focus has been by the veterans organizations, and for good reason, on helping the veteran. And the veterans organization focus has been on that. But as you well know and as you go through there, we have some great people out there that are ready to do other things.

In the U.S. Department of Homeland Security (DHS), in Federal Emergency Management Agency, we have a sector there that funds programs for volunteerism and who better than during a natural disaster or a manmade disaster having veterans participating in helping out when a tornado hits, when there are floods.

And I think the VA, in conjunction with Homeland Security, could come up with some unique programs where we have veterans ready and they have been trained, they know how to act during those disasters and how to best respond, and we could maybe go a little bit beyond that and do some things there where we could get our veterans engaged in responding. Fires, I mean, we could easily come up with units that are well-trained to go out in the forest fires and other types of examples.

I also wanted not only that, but also with the DoD since you came from that, they spend millions of dollars in recruitment. Who better to recruit than the VA? And the DoD, I know, expends a lot of resources on advertisement. They could be engaged with reaching out to our veterans in helping in recruitment as well as the Homeland Security.

And I know that there are other agencies out there like the Criminal Justice System, that are out there reaching out to some

of our veterans, especially those Vietnam veterans that find themselves incarcerated because, for example, when they try to self-medicate since we were not doing what we should have been doing and now I know we are sincerely working at trying to meet those needs.

I would ask you to see if you might comment on those comments that I have made.

Secretary SHINSEKI. Mr. Rodriguez, the mobile units are a concern of mine also. I know that as much outreach as we try to provide, there are still those very highly rural areas that we do not quite get what is needed. And the mobile units, clinics become crucial in being able to reach veterans wherever they live. So I have paid attention to this. I will look at it again to make sure.

And I think you are talking about your own personal experience there in the San Antonio, down through the valley, that part of the country. I will look at that to see what kind of coverage we have.

On suicides, I mentioned that this National Suicide Hotline, there have been 5,200 potential suicides in progress that were intervened and which literally people in the midst of crisis, authorities walked in and were able to help them. So the reason I think we are successful at this when someone calls the National Suicide Hotline, the person who answers it is a mental health professional. It is not just someone answering the phone. It is a mental health professional who is sensitive to, is listening for cues, recognizes some danger signals, and some of these interventions have been in progress.

So we appreciate your concern about caseworkers and having professionals involved in this process. And we are expanding the numbers that we have in our inventory to accomplish that.

I had not thought about volunteerism with DHS, but I will go take a look at that. You know, in the VA, we have a tradition of volunteerism. Many of our veterans come and donate their time in our hospitals and in some cases even in our regional offices to help make the best case for and help take the best care of veterans who come for services and benefits.

But in terms of responding to disaster relief, I will consult with DHS there and see what is possible.

You mentioned Vietnam veterans, incarcerated veterans. I think you know this. Every year, 40,000 veterans are released from our prisons. This is part and parcel of this larger discussion about homelessness. Some of them are there for being on substances and petty crimes that lead to incarceration.

If we are going to address the whole issue, it is homelessness and all the things I talked about. It is jobs. It is education. It is mental health, depression, substance abuse, and also dealing with our incarcerated veterans and providing them an opportunity when they leave to have something to do, skills and be on a track that is going to keep them from taking a turnstile back to prison.

And so this is also part of our discussion as we deal with how to take better care of our veterans. It is a very broad charter, very broad discussion, not just our hospitals, but it is caring for the veterans wherever they live and in whatever condition they find themselves today based on their histories.

Mr. RODRIGUEZ. Thank you, Mr. Secretary.

And I know that the VA has been about providing a service, but I know that a lot of our veterans also continue to serve our country. And these would be good programs, I think, that they are, you know, well experienced and who best to be out there.

So thank you.

The CHAIRMAN. Thank you.

Mr. Brown.

Mr. BROWN OF SOUTH CAROLINA. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for being here today and particularly for that good exchange we had the other day up in your place.

But my question is, in your testimony, you highlight and you evolve a VA model of health care that would expand VA's partnership with local teaching hospitals for inpatient care. And I certainly applaud this vision.

Public Law 109-461 authorized VA to enter into an agreement for the planning and design of a collocation, located joint use medical facility in Charleston, South Carolina, with the Medical University of South Carolina. To date, VA has not appropriated any funds to carry out the project.

And could you give us an update on the status of this particular project.

Secretary SHINSEKI. Mr. Brown, I should have been smart enough to have some detailed notes on this. I promised you that I would give you an update. If I may, I would like to do that for the record.

Mr. BROWN OF SOUTH CAROLINA. Okay. Thank you very much.

This is something we have been working on for a good number of years and we feel like it is a good, workable solution to bring a higher quality of health care to our veterans. And so we were hoping, you know, that we could proceed with this model since we had some authorization back about, I guess, two sessions ago.

And we feel like because of the, I guess, construction going on now in that area, this would be the ideal time to be able to jointly design something that would be more efficient for the VA patients.

Secretary SHINSEKI. As I indicated to you when we discussed it, I owe you an answer here and I am doing some research now. I just do not have the—I am not satisfied that I have all the information. I would like to provide that to you.

[The VA subsequently provided the following information:]

The Charleston VA Medical Center and the Medical University of South Carolina have worked together to identify potential collaborative and sharing opportunities over the last several months. Areas of mutual interest include high cost equipment, parking, road issues, shared utilities, and administrative and clinical space. Collaborative efforts with various work groups have concluded that it is not feasible to pursue a co-located joint medical facility. This conclusion reflects our continued efforts through the Collaborative Opportunities Steering Group and the Collaborative Opportunities Planning Group, both of which have reviewed potential sharing and collaboration efforts between the two facilities. These groups have concluded it is not feasible to pursue a co-located joint medical facility. A replacement medical facility for Charleston is not currently a VA major construction priority.

Mr. BROWN OF SOUTH CAROLINA. Well, thank you very much. Thank you for your service too.

The CHAIRMAN. Thank you, Mr. Brown.

Mr. Donnelly.

Mr. DONNELLY. Thank you, Mr. Chairman.

And, Mr. Secretary, thank you so much for your service from the veterans of northern Indiana. I have spoken to them and they want you to know how grateful they are for the hard work you are putting in and for the changes that you are making.

In regards to traumatic brain injury, and you were kind enough to spend some time at your office with me on this issue, in the transition that occurs from when these soldiers are active to being part of the veterans system, we have approximately four Centers of Excellence on TBI treatment throughout the country.

But if a veteran comes out and they are some distance from one of those four centers, which are located throughout the country, what is your perception of where this is going to go in terms of providing treatment for that veteran who may be hundreds of miles from one of those facilities but needs care on a more regular basis or needs to have some medical assistance?

Secretary SHINSEKI. Well, I would just point out that though we focus on the four and soon to be five polytrauma centers for care of our TBI, that is really just a starting point. There is a network of other medical facilities that take over once that initial diagnosis and treatment has started.

As the veteran migrates from that polytrauma center closer to home, we have second and third tier TBI capable polytrauma support entities in the network that looks after the continuing care, continuity of care that those veterans need and deserve.

As they get closer to their final destination, home, wherever that is, the intent is to have something available to them close by. So that is the reason for that maintenance of treatment at second and third tier facilities. They are not polytrauma centers, but they do not need to be at this point if treatment has been successful.

But it is just more than four polytrauma centers and it is a network of care that because of our electronic health records, there is great sharing of information amongst the treatment facilities so that veterans are, in fact, visible as they move through this process.

I was looking for some data here. As of August of 2009, we have conducted TBI screening of veterans coming back from Iraq and Afghanistan. We do not get all the veterans, but the ones who enroll with us, we have screened over 330,000 veterans. Sixty-two thousand have screened positive for the initial evidence of some form of mild TBI or otherwise requiring a follow-up.

As I say, 62,000 of them screened positive and consented to a follow-up. Forty-three thousand have completed that follow-up evaluation, so we have got some yet to be completed. And of that, 22,000 we have confirmed as having a diagnosis of TBI. Roughly 7 percent of the population we started with.

So once we have them, there is a registry. We track them. And so even though we think they are okay for now, if there is some degradation in their condition, we have a history here that we can look back to.

Mr. DONNELLY. Do you receive any type of registries from the DoD of soldiers who are coming out who have had, for instance, an improvised explosive device (IED) incident where they have been in a vehicle or been very, very close to an IED explosion so that you

know even though TBI can strike others, here are folks who are very likely to be in that category?

Secretary SHINSEKI. I know we get some information. I do not know if it is complete. Clearly for the serious incidents where you have some evidence of physical injury and then hospitalization in a DoD facility before they transition to us, very clearly we have terrific records.

But as we know, when we talk about the mild TBI, there are folks who are treated locally and remain on operations. We are not as good at that. And this is part of the reason that the virtual electronic record process that we are trying to create between DoD and VA is so very important, so that all of this is captured, whatever that unit was doing, wherever this individual was located is part of his personnel record. You know, our intent is to have that so that we get to what you are describing and that is that seamless reporting.

Mr. DONNELLY. And, finally, I just want to thank you and your staff for your efforts in regards to the South Bend Health Center, for moving that along, and for keeping it on schedule. It is an extraordinary positive for our area and also is not going to cost any additional money to the VA. So we want to thank you for your efforts in that.

Secretary SHINSEKI. Thank you, sir.

Mr. DONNELLY. Thank you, Mr. Chairman. Mr. Chairman, I yield back.

The CHAIRMAN. Thank you.

Mrs. HALVORSON.

Mrs. HALVORSON. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, for being here. What a pleasure and thank you for all your help.

And, you know, out of all my advisory Committees, my Veterans Advisory Committee is the busiest. And, you know, I appreciate all the help that you have done and all the things that they have brought to you.

But we have spoken about this before, but I have a hospital in my district, Silver Cross Hospital, and they are vacating their emergency room because they have outgrown it. And the community and the surrounding area would like to convert it to a VA medical facility because the lease on their current CBOC facility is not only up, but it is also way too small. They have grown out of it.

And you and your staff are familiar with it and I know I had the Chairman out. In August, he saw it. And I appreciate the guidance that you have given on it. It is not only a beautiful facility, but it is really already state-of-the-art. It will be empty soon. And even Chairman Filner had bigger ideas than I even did for it because I know that one of your big issues are eliminating homelessness for the veterans community.

But as you mentioned, you have got a lot of ideas, but Silver Cross also presents a lot of opportunities in that the facility can be used for a lot of the other programs that you talk about. And I also bring Silver Cross in a larger context that I believe that the VA should have a long-term perspective when presented with unique opportunities like this.

So when there is a smart opportunity in front of us that fits our needs like this facility, I think that we need to continue to talk about the need of the VA to be agile enough to be able to seize on opportunities like this. So we just have to remember we cannot allow bureaucracy to get in the way of great opportunities.

One of the other things I want to talk about before you comment on Silver Cross is the backlogs. Now, I really commend you for wanting to make this another one of your top priorities and I am really happy to hear that in July, there was a record 92,000 claims that were closed.

However, I hate to say this, but I look at that number with a very skeptical eye because we have heard of these cases time and time again, that I hear it is so much easier just to deny a claim than to go through and properly fix it in the first place.

And I know that there are so many better ways to just go through, fix it properly the first time instead of denying it and then having to come back after someone says that they are going to appeal.

So we have got to do something about the culture. We have got to put somebody's name to a claim, not just a number because I think that we need to address these veterans as people and not numbers. And I am a military family. You know, my father is a veteran, my husband, and my son, so we have got to really do something about that.

And then again, I just want to talk a little bit about the advanced appropriation and how much I appreciate that we are going to be doing something so that people know a year in advance.

So with that, if you want to comment first of all on my big pet project, the Silver Cross Hospital, and then anything on the backlogs.

Secretary SHINSEKI. May I start with the backlog?

Mrs. HALVORSON. You sure can. You are the Secretary.

Secretary SHINSEKI. It may be easier. You know, we are all referencing Mr. Hall's comments. It is culture. And I am asking that we and my entire organization, the workforce, take on advocacy for veterans.

That may just sound like a word, but what I mean by advocacy is when Shinseki walks in and says I would like to put a claim in, my intent is to help him put together the very best claim that will pass through the system the first time with a very high probability of success. And that takes a little different relationship.

Whatever is there right now is what we are addressing. And this change in culture, change in attitude, it is going to take a little bit of time to get all the way down to the lowest level, but we will get there. Any good organization is able to do this and this is a good organization. I have got the right leaders in place. We are beginning that process. And we will change the culture. I assure you of that.

You bring up a good point. A number of these claims, although less than I expect, are reopened claims. And so I take that this has to do with the level of trust and I am responsible for improving trust between veterans and this organization called the Department of Veterans Affairs. And I take that on and I am working on it. I will continue to work on it.

Once we get better processing standards, we will be able to demonstrate that kind of trust more clearly. Right now it is not the best of situations, but even there, we have put people to work in trying to facilitate and to be more productive without the easy outs, but be more productive on behalf of veterans.

On Silver Cross, I think we started down the path thinking there was going to be one kind of arrangement. I think it was we thought it was going to be a donated cost-free facility and when that changed, we have had to go back and regroup. And we are doing that. I hope to have some better answer on exactly what the timeline is here for a decision. I am happy to come and provide that to you.

Mrs. HALVORSON. Great.

Secretary SHINSEKI. I regret that we had to double back on this decision. But be that as it may, we will follow through and I am happy to come and report out.

[The VA subsequently provided the following information:]

The Department of Veterans Affairs continues to explore opportunities for use of the Silver Cross Hospital in Joliet, Illinois. The Edward Hines, Jr. VA Hospital is developing plans for the relocation of the Joliet CBOC that would allow VA to provide expanded outpatient services. VA officials from both Veterans Integrated Service Network (VISN) 12 and the Hines facility have met with representatives from the Silver Cross Healthy Community Commission, and local congressional Members. During these discussions and a tour of the emergency department of the existing Silver Cross Hospital, the parties determined that the building (approximately 60,000 square feet) could be re-purposed for expanded outpatient services.

However, it appears that the terms of the hospital-issued bonds place restrictions on the donation of any property and limit the Hospital's ability to transfer it to only 501(c)(3) non-profit entities, a designation for which VA does not qualify. VA's General Counsel continues to research alternative arrangements that may honor the contractual limitations while still offering Veterans an opportunity for additional services. VA has begun exploring options to purchase the property in the event the donation is not feasible. Because this work continues, VA is not able to provide a timeline concerning when a decision will be made.

Mrs. HALVORSON. Thank you.

I yield back.

The CHAIRMAN. Thank you, Ms. Halvorson.

Mr. Snyder.

Mr. SNYDER. Thank you, Mr. Chairman.

Secretary Shinseki, it is good to see you again. When you were talking about when Shinseki arrives and you start asking questions on a certain topic, it had been years since I thought about this, but I worked in several areas in refugee camps overseas and I guess it was in the spirit of the leadership of General Shinseki. When I would arrive at a refugee camp, the first thing I would ask for in order to send the right message is show me the latrines. And I had put those images out of my mind until this very moment, Secretary Shinseki. It was just some terrible photographs I have got of those latrines they showed me in those tours of refugee camps.

The CHAIRMAN. So the Secretary reminds you of latrines?

Mr. SNYDER. Yeah, that is right.

Sorry I was late getting here. I was at the Armed Services Committee, a hearing on Afghanistan.

I wanted to ask about the GI Bill and some of the delays that we have had. I am going to talk about Stephanie Herseth Sandlin since she is not here. But I remember the day we passed the bill

on the House floor and nobody has been more committed to that bill than she has in her role as the Chairman of that Subcommittee. But she said to me it is not ready yet. We need a few more hours. We need a few more days. We have got some technical issues there that we have got to work out. It is going to cause problems when they try to implement it.

And, of course, the legislative process is sometimes, you have to go when it is time to go and get the bill passed. But that was one of the things I thought about when I first started reading the press reports.

And then the other is the discussion. I sat in some of the Subcommittee hearings, you know. And the Chairman was there, too, and the discussion about information technology. And I know this is still a work in progress, but my impression is that the challenges that you had were not personnel ones, that you had the right people and very good people. Is that a fair statement?

Secretary SHINSEKI. That is true.

Mr. SNYDER. And that the issue was the, you know, what pops up on computer screens, that it was a different kind of program than the previous GI Bill because previously the only thing they had to know was who I was and was I eligible. My benefit was the same essentially. But you now have a benefit that varies State to State.

Would you describe the differences in the needs of the information technology?

Secretary SHINSEKI. Well, what I can describe is the Chapter 33 Post-9/11 GI Bill requirements to provide the very best option to veterans State by State, school by school, tuition and fees as two critical pieces of information.

In order to advantage veterans, we did not go to one school and take tuition and fees and set that as a standard. We went to the in-State institution that had the highest fees and then highest tuition and we took the top category so that when we put them together in favor of the veteran, there was going to be a good outcome.

And so the veteran is given maximum flexibility on choice of course work.

Mr. SNYDER. Now, when the veteran goes and sits down and goes online to try to figure this out, the technology you have is still pretty out of date; is it not?

Secretary SHINSEKI. For the application—

Mr. SNYDER. For the application.

Secretary SHINSEKI. The application is better than the technology we are using to issue certificates of eligibility and paying. The important part here is paying those fees and tuition which requires multiple screens, different States, different rates, different courses, and so forth.

It is a combination of many steps. And right now the manual system, augmented by computer—I mean, the fact that we do it on a computer says there is some automation, but it is essentially a manual process inside that computer. There is no opportunity for information to be populated automatically, to be manipulated.

And so it is a manual process and there are nine steps when my guess is that the other education bills probably two to three steps.

Mr. SNYDER. Do you anticipate that, say, a year or 2 or 3 from now that you will have a much more streamlined IT process both for the applicant but also from your side of things for doing the payments?

Secretary SHINSEKI. We would like to have a much more powerful, much more robust option than we have today. We have not entered into that process. We were required to do some in-house work. So we have a contract with SPAWARs who are going to deliver to us in early November a phase three of this series of computer-assisted programs.

And the phase three will allow us greater flexibility than we have today. And that process with phase three will be much better than what we have today. It will solve many of the time-consuming steps we are dealing with today and may get to the Ranking Member's questions about standardizing a lot more than we have.

The long-term solution is to get something robust that is probably available out there commercially that we can probably employ pretty quickly. That is the long-term cure.

Mr. SNYDER. That is my understanding. I think the Chairman already issued the invitation for you to let us know if there is anything you need from us to help that along.

Secretary SHINSEKI. I am very happy to do that. And, in fact, I would say this. Although it is not the best solution for the long-term, phase three that we get in the first week of November or early November, I am told will solve all of our current sort of backups that we are dealing with. But it is still not the long-term approved solution. We have got to work at both. We intend to.

Mr. SNYDER. Right. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Snyder.

Mr. Buyer.

Mr. BUYER. Mr. Secretary, Chairman Hall and Ranking Member Lamborn held a hearing, and I applaud their leadership, whereby they had testifying the Assistant Secretary of the Army for I believe it was Personnel that has oversight over Arlington. And we also had Mr. Cleland with the Battle Monuments Commission. We had testimony from the VA, Department of Memorial Affairs, and then we also had testimony from Katherine Stevenson who is the Assistant Director for Business Service at the National Park Service, U.S. Department of the Interior.

So early on, I think even before you were sworn in, we had a conversation about the multiple standards with regard to our cemeteries. So I read your comments with regard to that last night, not about the multiple standards, but what you were doing.

I wanted you to know, though, from the testimony, Ms. Stevenson brought up when she was asked if there was anything that we felt that she needed to help raise the standards within the Department of the Interior, you had received a commitment just like I have from Secretary Salazar to work on this issue, and they have a report that is going to be coming out here fairly soon, she said quote, this is her quote, "Actually, fairly recently, I think in 2004, an Interagency Committee was established and we looked very much forward to working with that Interagency Committee, but the head of that Committee became ill, so the Committee was dis-

solved and we would like to see the Committee reconstituted so that we can discuss some of these issues of mutual concern.”

So I guess what I am going to ask of you is, is if you could ensure that this Interagency Committee is established between VA, DoD, and the Department of the Interior and maybe it also could include the Battle Monuments Commission so that they can work together on these mutual issues with regard to making sure of the standardization with regard to the internments.

Secretary SHINSEKI. Mr. Buyer, I am happy to do that. You and I have discussed the issue. I have made myself and our assets available to provide support, recommendations, and advice.

Mr. BUYER. Okay.

Secretary SHINSEKI. And that offer is still good.

Mr. BUYER. All right.

Secretary SHINSEKI. I will follow up on this.

[The VA subsequently provided the following:]

National Cemetery Interagency Operational and Management Activities

At the October 14, 2009, House Committee on Veterans' Affairs (HVAC) State of VA Hearing, HVAC Ranking Member Buyer, voiced concern for conditions at Department of Interior (DOI)/National Park Service (NPS) national cemeteries, and suggested the Secretary reconvene the “Interagency Task Force on Government-Issued Headstones” composed of Department of Defense, American Battle Monuments Commission, NPS and National Cemetery Administration (NCA) representatives. The interagency Committee's primary objective was the maintenance and preservation of stone headstones and markers, and it convened from December 2003 through September 2004. One outgrowth was a headstone-cleaning study, funded by NCA and undertaken by NPS. The study commenced in 2004, and is slated to be complete in fiscal year 2010.

At the hearing, the Secretary committed to providing assistance to DOI national cemeteries. As a follow-up, on November 10, 2009, Acting Under Secretary for Memorial Affairs, Steve Muro, wrote to the NPS Director, Jonathan Jarvis, offering NCA's assistance, participation in a revived interagency Committee, and access to NCA Operational Standards and Measures. NCA staff has been actively collaborating with NPS staff on the following operational and management activities:

NPS Nationwide Cemetery Preservation Summit

NCA staff participated in a 3-day summit in October 19–22, 2009, organized by the NPS National Center for Preservation Technology & Training. Presentations on national cemetery standards, maintenance and operations, historical preservation, etc., were provided to 110 attendees (including staff from 7 of 14 NPS national cemeteries, and NCA staff). NCA provided a hands-on tour of VA Nashville National Cemetery and all aspects of its operations, including headstone raising and realigning operations.

VA Advisory Committee on Memorials and Cemeteries

At the November 18–19, 2009, Advisory Committee meeting, NPS Superintendent Brad Bennett, Andersonville National Historic Site and National Cemetery, serving as an ex-officio Member, provided an overview of cemetery site conditions and will present a progress report at the May 17–18, 2010, VA Advisory Committee meeting.

NPS National Cemetery Summit, Greeneville, TN

NCA staff participated in a follow-up NPS Summit on December 16–17, 2009, with NPS National Cemetery Directors and staff. The Summit focused on updating and revising the NPS policy document, *Director's Order # 61*, which covers NPS cemetery operation and management policy and procedures, and discussions on national cemetery “best practices.” Following the Summit, teams continue to collaborate on ongoing assignments, which are due in mid-February. Participants also received a tour of the Andrew Johnson National Cemetery, where maintenance procedures were demonstrated. Approximately 26 representatives from 12 of the 14 NPS-managed national cemeteries and 3 related NPS offices attended.

Planned Future Collaborative Actions

- NCA has extended an invitation for individual NPS National Cemeteries to establish a “cemetery buddy” with a VA National Cemetery in their region to share management and operational expertise relevant to geographic challenges.
- NCA will participate in the NPS Quarterly Conference Calls (3rd Wednesday of month: Feb. 2010, May 2010, Aug. 2010, Nov. 2010, etc.)
- NCA staff will participate in the NPS National Cemeteries Annual meeting, May 2010 (NPS Poplar Grove National Cemetery, Petersburg, VA) and in May 2011 (NPS Little Big Horn National Cemetery, Montana).
- NPS national cemetery staff will be invited to attend NCA annual and regional quarterly conferences, which include hands-on training, best practices and policy discussions.
- NPS staff will be invited to participate in management and operations training provided NCA and State Veterans Cemeteries staff at the NCA National Training Facility in St. Louis, MO.

Mr. BUYER. Please do.

The other is, it was not in your statement, but I want to work with you and work with Members of the Committee with regard to procurement reform and follow through with our conversations.

The other is I look forward to working with you with regard to legislative technical corrections with regard to the GI Bill and work with other Members of the Committee. And I would ask that you work closely with, have your staff work closely with Ms. Stephanie Herseth Sandlin and Dr. Boozman. They and their staff have great levels of expertise and have worked with your staff in the past. And we would like to work on those technical corrections to put you in the best stead as you move forward into the spring.

The other is Dr. Boozman brought up the issue with regard to the health bill as it moves through the Congress and through the Senate, making sure that we are able to protect the VA as a Health Department. There have been some amendments to do that. There have been some commitments, but I would like for your oversight to ensure that veterans will not be taxed that 2.5 percent tax. And I think that is being corrected and I acknowledge your public comments.

The other is with regard to the IT, I would like to applaud you. Chairman Filner and I and Members of the Committee, we all supported unanimously the efforts to centralize the IT. And we had recognized that a lot of money had been spent over the years on a full menu of IT systems that had never been launched. And so I applaud your scrutiny of those programs.

And in February, you had testified that, “That any more IT is very much integrated in those, meaning health activities, and that we should be sure that it is also how we parse that to ensure that is included so that our plans to provide services, health services and community-based outpatient clinics or open new CBOCs are not hindered by an inability to have that kind of flexibility.”

So I, with regard to advanced appropriations, tried to make sure that your request that IT also be covered in advanced appropriations, even though it passed the House, it did not end up in the advanced appropriation. And, you know, I was the lone vote against the advanced appropriation. I felt that us not providing what you needed was wrong.

And so as we move forward into the following budget cycle and you come back in a year, if you feel you need that budget and flexibility, please work with the Budget Committee and work with Congress so that we get you the flexibility that you need because of the

integration of health and IT. Excluding that, I think we have given you some challenges.

The CHAIRMAN. Thank you, Mr. Buyer.

Thank you, Mr. Secretary, for joining us today.

Let me just note that you promised different Members responses to their issues and I hope that you will provide those to the whole Committee. We are involved with all of them, so—

Secretary SHINSEKI. I will.

The CHAIRMAN [continuing]. Please make sure that happens. Let me also say that you have done some incredible things in just a short time. I think your style, though, is to hide your light under a bushel. And as you say, you are not running for office, but I think your Department is running for office.

The things we had to do in your first appearance here, is to buildup the morale not only of the VA employees but the confidence that veterans have in the VA. One way to do that is to make sure people understand the great things you are doing.

The homeless program that you have enunciated is an incredible commitment. It almost came up as an afterthought in just today's testimony. We need to publicize that in ways that people understand what you are trying to do. You can have a visual in a random city like San Diego and in a homeless shelter, but I think we need your commitment to zero tolerance. It is an important message to get out there.

The forward funding issue is a revolutionary step that will give all veterans and your employees confidence that we are doing the right thing. I hope the President will hold a signing ceremony to highlight this issue.

Even the administrative steps you took just this week in reference to the Agent Orange presumptions—that decision affects thousands of people in a very positive way. In fact, all of the Vietnam veterans understand the importance of the decision—if they knew that it had been made. It gets around by word of mouth, but I think you have to use your Public Affairs Office to get this story out in a much more public way. It is just my advice.

The pride that we have with what you are doing should be spread. Again, that will help the morale of not only your employees but the veterans who have had problems over the years with the VA. I hope that we can find ways to do that.

Secretary SHINSEKI. Mr. Chairman, thanks for your confidence here. And I, you know, I think we can improve in this area and we will make the effort to. I will be sure to take your counsel here.

The CHAIRMAN. We have got to shine that light.

There is another area that I would like us to think a little bit about. I want us to think outside the box. We have some problems that have been presented to the VA, which may, in term, be solutions to other problems.

As an example, we have some facilities that have been underutilized both because of demographic changes and because of a model switch from an inpatient to an outpatient model in the VA.

I would hate to see any one of those facilities leased out or sold when they could meet the needs in other areas, such as homelessness. I visited the hospital that Mrs. Halvorson talked about and it was not in a neighborhood where people would have NIMBY con-

cerns. Every room was set out for a patient. It would be a great opportunity for homeless housing. We have an opportunity here and there are other facilities that the VA itself is thinking of selling or leasing. I think we should look at how they can solve other problems.

Keep that in mind both in terms of the homeless problem and the north Chicago decision that you announced earlier. I think it was probably the only real integration of a military hospital and a VA hospital. I'm sure decisions were made between VA and DoD to make the most efficient use of the space.

One thing that struck me that you might think about but you did not list is changing the culture to accommodate our women veterans. One of the things that we have heard in testimony is that when women veterans come for an appointment, they may have to bring their child or children. We've heard that doctors will not see them in some places if they have their children. We have got to start thinking about child care. It should not be outside our thinking.

When you walk into the VA section of the north Chicago facility, the pediatric office is right on the first floor. What happens when you walk into a VA facility? There are kids running around. It changes the whole ambience. It is not a bunch of old guys in wheelchairs. Of course, I say that with respect. But you have kids jumping in the laps of veterans. You have got the veterans playing with the kids. It changes everything.

You might just think about that as we think about the needs of our women veterans. Maybe we should put a pediatric office in to serve some of those children, and that also serves our veterans. It changes everything. There is life and there is action and there is humanity there.

Again, it is a problem from one angle, but it is an opportunity to really change the way we are doing things. Just a couple of things I think you should keep in mind.

If I just may briefly comment on a couple of things that others mentioned. You said you have to do a lot of work to serve the rural veterans. This Committee is going to do some more work on this issue, as well.

From my travels around the country, it seems to me that one of the easiest ways to deal with the lack of access is to use the fee-base authority much more liberally. Medical directors have the authority to allow a veteran to get care in their local community. They do not like to use that often. I suspect there are real concerns about quality and cost and I understand that when you are dealing with a system like the VA.

However, if a medical director is concerned that he is going to be evaluated on his budget surplus at the end of a year, he may not use that authority as often. I think they need to be encouraged to use it without penalty. It should be used in a way that it helps our veterans with access and it might solve a lot of these access problems that we do have in rural areas.

There is a bureaucratic dynamic here with the budgets that I think may be at play, not just the real concern that we should have with cost and quality. Just another thought.

On other issues around community outreach, is the homeless initiative. I think the amount of money is a half a billion dollars for community programs that are helping us in this area. I think we have to look at the VA as welcoming this kind of help all over the place.

Our budget is about a \$100 billion. Well, 1 percent of that is \$1 billion. One billion dollars is a lot of money, but one percent of our budget. I think you should to think about not only in homelessness but in other areas such as mental health. Some of the issues that other Members brought up as an outreach program to say we welcome all the help that is available. We are not a closed body.

Your candor, humility and your sense that we need other people to help can be fostered by setting up a fund in all areas.

I have one more issue and then you will get the last word. One of the things that we have talked about a lot in the last few years is accountability. We have had some scandals over the years and nobody ever saw employees fired as a result. Maybe there was and dealing with personnel is a tricky matter.

We have had a couple of incidents take place during your administration with either the way we were treating cancer patients or the endoscopic cleaning. When we talked, you assured me there would be some personnel consequences but I do not know that there have been.

Again, it is a hard issue to balance but I think people both outside the VA and inside the VA need to see some sense that we take this so seriously that people maybe lose their jobs. They are serious enough to have lost their jobs.

The converse of that is also in the bonus area. If there are clear areas where we have fallen short and then to see the people in charge of that shortfall get bonuses, that sends the wrong message.

Those are the accountability issues. Maybe you could start with that and then comment on anything else that I mentioned.

I really enjoy working with you, Mr. Secretary. I think everyone here on both sides of the aisle are committed to veterans. We know you are. We want to help you in doing anything we can. We are out there a lot, too, and we have eyes and ears that we think are useful for you. We look forward to deepening that partnership.

You have as much time as you need to either respond or to address any other issues that you feel are important.

Secretary SHINSEKI. I am not sure I can respond to all of them, Mr. Chairman. I would just say on accountability—

The CHAIRMAN. I hope Joan took notes.

Secretary SHINSEKI. I am sorry.

The CHAIRMAN. I hope Joan took notes.

Secretary SHINSEKI. Accountability is important with me. And I would just very quickly in response to some of the disappointments that have occurred you can be assured that people have been held accountable. And I am happy to come and provide details of that.

You mention bonuses. I call it performance pay. I think we are talking about the same thing. It is based on performance. I look at performance two ways. One, you know, the brilliant stroke of genius that comes in and solves a heretofore unsolvable problem. That is one kind of performance.

Another one is there is no stroke of genius and there are some people who come, knuckle down, and just get the work done in spite of the fact that there is no recognition and expectations are high. I would offer there is room for adjudging that kind of performance as well.

We have a process inside the Department where there is a series of reviews on folks who are being nominated for performance, increase in performance pay. Ultimately it ends up with me. We have not gone through that process yet this year. And when we have done it, I am more than happy to come and show you the results. I think you will be satisfied that accountability does count with me and with the leadership I have put in place.

You mentioned some of our available facilities for homeless. I have asked that we take a look at our footprint and see how it can be used in other ways. Homelessness is one. Long-term care for patients that are going to need our help for a long time is another. And we talk about child care that should include some opportunity for families to be part of that solution. And so we are looking at all of that.

We have raised the question about child care. I know there are a couple of anecdotal incidents in which women veterans reported not being able to keep their appointments because they showed up with children. I can assure the Chairman that guidance has gone out to correct that. Women veterans showing up with children will be seen with the exceptions that would make sense here and the exceptions being those settings in ICU or mental health where it would not be good to have children in that environment. We would find other ways to take the child and care for it.

But right now the authorities are not within the Department to be able to provide child care services on our own and this may be one of those things that we have a discussion with the Chairman and Members of the Committee on how we might look for some help here.

Mr. Chairman, I think I will leave the comments to that.

The CHAIRMAN. Okay.

Secretary SHINSEKI. I will reserve for a later time the \$1 billion outreach suggestion.

The CHAIRMAN. Thank you.

Bringing in people from different parts of the country who have Parkinson's and presenting them with their benefits based on decision of VA would be symbolic because there are people that many of us have been in contact with that have been fighting for this for many years. Let us show that we listened to them. Bring the veterans in, not just the politicians, they have suffered and we have heard them. I recommend something like that to you, Mr. Secretary.

Incidentally, you talked about several pilots going on with the claims process. You started this by trying to deal with it by brute force, that is, hiring more and more people. I am not sure if that is going to work or not.

I would urge a pilot with the so-called "Bilmes plan" that claim, if it is done with the help of a veterans service officer, be accepted at some level subject to audit and get the check out right away. If

you try that somewhere, it might be successful. Deputy Scott understands the program very well.

When I talk about community outreach, one thing that has come up as a very innovative program around the country is Veterans Court. We have one model that is trying to be duplicated in many other places and could use a little seed money from the VA.

When you have 300 homicides by Vietnam veterans, most of which—I am sorry, not Vietnam veterans—Iraq and Afghanistan veterans, most of which have been family members, you have to ask yourself what's going on. These kids did not come back to kill their spouses or their children or themselves, so what is it that we are not, as a Nation, doing to prevent this.

When these men and women are incarcerated or face the judicial system, it seems to a lot of people that a treatment rather than incarceration is the appropriate action. As you know, Buffalo has created the court and it is trying to be duplicated around the country. Some seed money from the VA to communities to get people together to include the prosecutors, the district attorneys and the parole officers would be a great, great contribution for the Nation.

Those are just some ideas that I would line-item.

Again, we appreciate your work. We appreciate your testimony. It has been a pleasure.

I know you have reached out to every Member of this Committee and other Members in Congress for personal discussions and personal interaction. Everybody here appreciates it. They come up to me on the floor and say, I talked to your Secretary today and he is really great. So that has a real impact and we appreciate it.

You have one more chance for the last word. Otherwise, we will be adjourned. I leave it to you, Mr. Secretary.

Secretary SHINSEKI. No. I just would close with just thanking the Chairman. I always, you know, I look forward to this opportunity to come and present what we are doing and take the insights and, you know, the suggestions of Members of this Committee who have been at this much longer than I have. I appreciate that. I tell you that we take that advice and we go do something about it. And I intend to continue to do that.

Thank you very much.

The CHAIRMAN. Thank you, sir. This hearing is adjourned.

[Whereupon, at 12:11 p.m., the Committee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Bob Filner, Chairman, Full Committee on Veterans' Affairs

I would like to thank the Members of the Committee, Secretary Shinseki, and all those in the audience, for being here today.

According to former presidential candidate Adlai Stevenson, "Patriotism is not short outbursts of emotion, but the tranquil and steady dedication of a lifetime." Our servicemembers and veterans have proven their dedication with their bravery and their sacrifice. America must continue to show her tranquil and steady devotion to the heroes that have fought on the battlefields and returned home. The way in which we treat our veterans has a direct impact on our ability to recruit men and women in the future, and is a reflection of the values and ideals we hold as a Nation.

The VA oversees the largest integrated health care system in the country and operates a vast array of benefits programs meant to support and salute the soldier, sailor, airman and marine. Together, Mr. Secretary, we have taken great strides in the 111th Congress to provide our veterans the quality health care and services that they require and they have earned. I share your goal to build better lives for America's veterans and their families and survivors. We have made a contract with our veterans that we must keep.

First, I would like to thank you for requesting veterans funding levels that appropriately reflects the needs of our veterans more than any other budget requested by a President since I have served on this Committee. The House approved a funding bill that adds \$14.5 billion over the current fiscal year and is the third straight budget to exceed the request of the *Independent Budget*. Although the funding bill has not yet passed, I am proud that we have put forward a budget that is worthy of the service and sacrifice of our veterans.

I am also grateful for your leadership in working with Congress to establish a historic new approach to providing adequate and timely funding for veterans' health care. Just last week, the House passed a bill that responds to late budgets by allowing Congress to fund VA health care 1 year in advance. This bill is a top priority of veterans service organizations because it will not subject VA to delays and uncertainty—and will finally allow sufficient time to plan how best to deliver health care.

The VA is facing the issue of caring for our returning servicemembers, and the veterans of previous conflicts. The VA must rise to the challenge of meeting the needs of these veterans, especially in the areas of traumatic brain injury care, musculoskeletal conditions, and post-traumatic stress disorder treatment, maintaining its excellence in specialized services, and addressing access to care issues. These are challenges that we have begun to work on together and challenges we must meet as a Nation.

Mr. Secretary across the Nation, veterans who applied for benefits under the GI Bill, have been told their payments are being delayed because of an overwhelming number of problems at both the Department and the schools. Although the VA has issued emergency checks for \$3,000 to students, many veterans taking advantage of the program say they have not been told when or if they will be getting their full payments. We hope to hear today about the ongoing implementation of the Post-9/11 GI Bill—which can only help our veterans become part of the economic recovery if they have access to their benefits in a timely way.

The VA is also facing the issue of providing the benefits earned by our veterans in a timely way. The VA must address the growing backlog of claims filed by those that served in uniform. We must tackle the claims backlog that stymies our wounded veterans from receiving the benefits they earned and deserve.

Mr. Secretary, today, we hope to hear your views on the successes and the challenges that face us and our veterans. We also are hopeful to hear how we can be best helpful in addressing those issues.

Mr. Secretary, the Committee is grateful to you, as well as the devoted employees of the VA, for the dedication to veterans that you all demonstrate day after day. No matter where we may stand on the current conflicts, we are here today because we must be united in seeing that our brave servicemembers are welcomed back with all the compassion this grateful Nation can bestow.

**Prepared Statement of Hon. Eric K. Shinseki, Secretary,
U.S. Department of Veterans Affairs**

Chairman Filner, Ranking Member Buyer, Distinguished Members of the Committee:

Thank you for this opportunity to report on the state of the Department of Veterans Affairs (VA). We appreciate the longstanding support of this Committee and its unwavering commitment to veterans—demonstrated, yet again, through your support of advanced appropriations legislation for VA. Let me also express my thanks to the Committee and the President for a remarkable 2010 Budget that provides an extraordinary opportunity to begin transforming the Department. We deeply appreciate your confidence and the confidence of the President in building on the 2008 and 2009 Congressional enhancements to VA's budgets in those years. We are determined to provide a return on those investments.

I would also like to acknowledge the presence of representatives from a number of our Veterans' Service Organizations. They are our partners in assuring that we have met our obligation to the men and women who have safeguarded our way of life. We always welcome their advice on how we might do things better.

Mr. Chairman, this past February, you held a similar hearing on the state of the Department, which allowed me to benefit from the insights and advice of Members of this Committee early in my tenure as Secretary. In turn, I was also able to offer early assessments of VA's mission and some principles that I felt might help me quickly communicate my intent and direction for the Department. I have learned a lot in the last 8½ months from some truly impressive people at VA; from veterans, individually and collectively; from the VSOs; from Members of this and other Committees, and from a host of other key stakeholders, who share both the Department's interests and my personal passion for making VA the provider of choice in the years ahead. My current vectors for this Department remain guided by those principles that I mentioned in testimony in February. As I continue working to craft a shared Vision for the Department, one that will be enduring, we remain guided by our determination to be *People-Centric*—veterans and the workforce count in this Department, *Results-driven*—we will not be graded on our promises, but by our accomplishments, and *Forward-looking*—we strive to be the model for governance in the 21st Century.

This testimony comprises a 9-month progress report on the state of our Department.

We have been busy putting into place the foundation for our pursuit of the President's two goals for this Department: transform VA into a 21st Century organization, and ensure that we provide timely access to benefits and high quality care to our veterans over their lifetimes, from the day they first take their oaths of allegiance until the day they are laid to rest.

Every day 298,000 people come to work to serve veterans. Some do it through direct contact with veteran clients; others do so indirectly. But, we all share one mission—to care for our Nation's veterans, wherever they live, by providing them the highest quality benefits and services possible. We work each and every day to do this faster, better, and more equitably for as many of our Nation's 23.4 million veterans who choose us as their provider of services and benefits. Today, that number is roughly 7.8 million veterans.

Veterans put themselves at risk to assure our safety as a people and the preservation of our way of life. Not all of them are combat veterans, but all of them were prepared to be. VA's mission is to care for those who need us because of the physical and mental hardships they endured on our behalf, the cruel misfortunes that often accompany difficult operational missions, and the reality of what risk taking really means to people in the operational environment.

The health care, services, and benefits we provide are in great demand—a demand which grows each year. More than four million new veterans have been added to our health care rolls since 2001. Some of our youngest veterans are dealing with the effects of post traumatic stress disorder (PTSD), traumatic brain injury (TBI), and other polytrauma injuries. We will provide them the care they deserve, even as we continue to improve the quality of care we deliver to veterans of all previous

generations—World War II, Korea, Vietnam, Grenada, Panama, Somalia, Desert Storm, and a host of smaller operational deployments. The President’s decision to relax income thresholds established in 2003, which froze Priority Group 8 enrollments, has enabled many more veterans to access the excellent health care available through our Veterans Health Administration (VHA). It has increased VA’s workload, but we are prepared to accommodate up to 500,000 enrollees, who are being phased in over the next 4 years. While the Post-9/11 GI Bill offers serving military and our newest veterans expanded educational opportunities, it has challenged the Veterans Benefits Administration’s (VBA’s) paper-bound processes. We are moving aggressively to transform VBA from paper to electrons, even as the entire organization picks up the pace of producing more, better, and faster decisions both in disability claims and educational benefits. Finally, the honor of providing final resting places for our veterans remains a source of immense professional pride for the National Cemeteries Administration (NCA), and indeed the rest of VA. NCA consistently meets the demographic standards associated with veteran burials and exceeds expectations with regard to care and compassion for heroes’ families. NCA interred approximately 107,000 veterans in the past year in our 130 national cemeteries. Five new national cemeteries have been opened, and sixteen cemetery projects have been funded for expansion in the past year to address our requirements in this area.

Our veterans have earned and deserve our respect and appreciation for their sacrifices and the sacrifices of their families. We at VA are privileged to have the mission of demonstrating the thanks of a grateful Nation. We are obliged to fulfill these responsibilities quickly, fully, and fairly—especially given the current economic climate. All of us, at VA, accept these increases to an already demanding workload, and we will meet our responsibilities at a high standard. Doing so will offer VA as a genuine *provider of choice* for those veterans who, today, choose to go elsewhere for insurance, health care, education loans, home loans, and counseling. To achieve this kind of standing with veterans, we must make entitlements much easier to understand and then far more simple to access.

Each day, dedicated, compassionate professionals at VA do the extraordinary to meet the needs of veterans across a broad spectrum of programs and services.

Among them:

- VA is second only to the Department of Education in providing educational benefits of \$9 billion annually.
- VA is the Nation’s eighth largest life insurance enterprise with \$1.1 trillion in coverage, 7.2 million clients, and a 96 percent customer satisfaction rating.
- VA guarantees nearly 1.3 million individual home loans with an unpaid balance of \$175 billion. Our VA foreclosure rate is the lowest among all categories of mortgage loans.
- VA is the largest, integrated health care provider in the country, with 7.9 million veterans enrolled in our medical services system.
- VA developed and distributed enterprise-wide, VistA, the most comprehensive electronic health record (EHR) in the country, linking our 153 medical centers to their 774 Community Based Outpatient Clinics (CBOCs), 232 veterans Centers, as well as outreach and mobile clinics.
- VA received an “*Among the Best*” ranking for its mail order pharmaceutical program, ranking with Kaiser Permanente Pharmacy and Prescriptions Solutions, in a J.D. Power and Associates survey of 12,000 pharmacy customers.
- A VA employee, Dr. Janet Kemp, received the “2009 Federal Employee of the Year” award from the Partnership for Public Service 3 weeks ago. Under Dr. Kemp’s leadership, VA created the veterans National Suicide Prevention Hotline to help veterans in crisis. The Hotline has received over 185,000 calls—an average of 375 per day—and interrupted over 5,200 potential suicides.
- VA has staffed a Survivors’ Assistance Office to advocate for veteran and servicemember families. As the “Voice of Survivors,” its purpose is to create and modify programs and services to better serve survivors.
- VA’s OIT (Office of Information Technology) office and VBA collaborated with the White House to create a program soliciting original ideas from VA employees and participating VSOs, ranging from improving process cycle times for benefits to increasing veteran-satisfaction with the claims process. Close to 4,000 process-improvement ideas have been received.
- VA operates the country’s largest national cemetery system with 130 cemeteries.
- VA senior executives are accountable and responsible when these systems succeed and when they fall short. As of September 2009, VA maintained one of the lowest executive to employee ratios (approximately 312 career executives to approximately 298,400 employees). I have seen their dedication to serving veterans.

I am proud of our people and our accomplishments, but there have been challenges, missed opportunities, and gaps in providing the quality of care and services veterans expect and deserve. We will continue to look for and find our failures and disappointments; we will be open and candid with veterans, the Congress, and other stakeholders when we fall short; and we will correct those problems, take the right lessons from them, and improve the process to achieve the best outcomes. In recent months, we have discussed with the Committee lapses in quality control and safety regarding endoscopes and other reusable equipment, erroneous notifications of ALS diagnoses, and expensive IT initiatives that were not meeting program thresholds.

Near-term challenges have been riveting. Since enactment, the new Post-9/11 GI Bill has been our top priority for successful implementation by August 3, 2009. These completely new benefits, requiring tools different from the ones available to us, resulted in massive Information Technology (IT) planning efforts on short timelines. Delays and setbacks required VA to exercise emergency procedures 2 weeks ago to issue checks to veterans to cover their expenses early in program execution. Uncertainty and great stress caused by these delays were addressed through these emergency procedures, which remain in effect. We will mature our information technology tools to assure timely delivery of checks in the future.

We must work short-term and long-term strategies to reduce the backlog of disability claims, even as they increase in number and complexity. In July, we closed out a VA-record 92,000 claims in a single month—and received another 91,200 new ones. We are consolidating and investing in those IT solutions integral to our ability to perform our mission while looking hard at those that have not met program expectations—behind schedule or over budget. In July, we paused 45 IT projects, which failed to meet these parameters. These projects are under review to determine whether they will be resumed or terminated. We know this is of intense concern and interest to Members of this Committee, and we appreciate your continued support and insights.

In working these near-term demands, we are simultaneously addressing, in 2010 and the years beyond, improvements to programs and new initiatives critical to veterans—reducing homelessness, enhancing rural health care, better serving our growing population of women veterans, and refreshing tired, and in a number of cases unsafe, infrastructure.

To embrace these priorities, we have put in place a strategic management process to focus our stated goals and sharpen accountability. We are close to releasing a Department of Veterans Affairs Strategic Plan, in which I look forward to outlining for you the strategic goals that will drive our decisions over the next 5 years, and potentially longer.

I've now engaged in 8 months of study, collaboration, and review of as many aspects of VA's operations with as many of our clients, employees, and stakeholders, as the Deputy Secretary and I could manage. I've visited VA facilities—large and small, urban and rural, complex and simple—all across the country. I've spoken with leaders, staffs, and veterans. I also invited each of our 21 Veterans Integrated System Network (VISNs) directors to share with me, in dedicated 4-hour briefings, their requirements; their priorities; their measurements for performance, quality, and safety; and their need for resources—people, money, and time. I've also received multiple briefings from VBA leadership on the extent and complexity of the benefits we provide to veterans. This has been time well-invested—invaluable.

The veterans I've met in my travels have been uplifting. Many struggle with conditions inevitable with old age; others live with uncertain consequences from exposures to environmental threats and chemicals; still others have recently returned from Afghanistan and Iraq bearing the fresh wounds of war—visible and invisible.

Out of my discussions with veterans, three concerns keep coming through—access, the backlog, and homeless veterans.

Access: Of the 23.4 million veterans in this country, roughly eight million are enrolled in VA for health care. 5½ million unique beneficiaries have used our medical facilities. We want to ensure that any veteran who can benefit from VA services knows the range of services available to them. VA will continue reaching out to all veterans to explain our benefits, services, and the quality of our health care system. A major initiative which will expand access is the President's decision to relax the income thresholds established in 2003, which prohibited new Priority Group 8 enrollments. We expect up to one-half million new Priority Group 8 enrollees in the next 4 years.

Another initiative to expand and improve access is the evolution of our health care delivery system. About a decade ago, VA decided to move toward the system of care being provided in the private sector by turning its focus to outpatient care and prevention. As a result, VA's 153 medical centers are the flagships of our nationwide integrated health care enterprise, and the Department also provides care

through a system of 774 Community Based Outpatient Clinics (CBOCs), 232 Vet Centers, outreach and mobile clinics, and when necessary, contracted specialized health care locally. This fundamental change in delivery of care, means organizing our services to meet the needs of the veteran rather than the needs of the staff—veteran-centric care.

Our next major leap in health care delivery will be to connect flagship medical centers to distant community-based outpatient clinics and their even more distant mobile counterparts via an information technology backbone that places specialized health care professionals in direct contact with patients via telehealth and telemedicine connections. Today, we are even connecting medical centers to the homes of the chronically ill to provide better monitoring and the prevention of avoidable, acute, episodes. This means that veterans drive less to receive routine health care and actually have better day-to-day access. It also means higher quality and more convenient care, especially for veterans challenged by long distances; and, prevention will mean healthier lives.

While this new, evolving VA model of health care is less about facilities and more about the patient, it is also more economically efficient and a better use of available resources. Health care centers that provide outpatient care, including surgery and advanced diagnostic testing, have lower construction costs compared to traditional hospitals. They better serve communities, and are more cost effective, than small, traditional hospitals with low numbers of veterans receiving inpatient care. To provide emergency and inpatient care when needed, VA forms alliances and relationships with local civilian facilities for that care. Outreach clinics also allow us to provide health care services in communities with smaller numbers of veterans. These part time clinics are situated in leased space, and provide in-person care closer to the veterans' homes.

Critical to improving veterans' access to health care is our campaign to inform and educate them about how VA delivers care. Using social media Web sites, including MyHealthVet and Second Life, we are making contact with veterans, including our Operation Enduring Freedom/Operation Iraqi Freedom veterans, who did not respond to traditional outreach—lectures, pamphlets, and telephone calls.

All of these initiatives to improve access are conducted with assessments of patient privacy issues. Privacy is important for all veterans, but we especially want women veterans to know that the VA will provide their care in a safe, secure and private environment that is designed to meet their needs. While approximately 8 percent of veterans are women, only about 5.5 percent of VA patients are women. My intent is to create an environment of care that will attract more of them to the VA as their first choice for care.

The disability claims backlog: Reduction of the time it takes for a veteran to have a claim fairly adjudicated is a central goal for VA. The total number of claims in our inventory today is around 400,000, and backlogged claims that have been in the system for longer than 125 days total roughly 149,000 cases. Regardless of how we parse the numbers, there is a backlog; it is too big, and veterans are waiting too long for decisions.

In April, President Obama charged Defense Secretary Gates and me with building a fully interoperable electronic records system that will provide each member of our armed forces a Virtual Lifetime Electronic Record (VLER) that will track them from the day they put on the uniform, through their time as veterans, until the day they are laid to rest.

VA is a recognized leader in the development and use of electronic health records. So is the Department of Defense. Our work with DoD is already having an impact on the way we are able to provide quality health care to our veterans. To date, VA has received from DoD two and one-half million deployment-related health assessments on more than one million individuals, and we are able to share between Departments critical health information on more than three million patients. Although our work is far from finished, our achievements here will go beyond veterans and our servicemembers to help the Nation as a whole, as have many of VA's historic medical innovations.

We are working with the President's Chief Performance Officer, Chief Technology Officer, and Chief Information Officer, to harness the powers of innovation and technology. In collaboration with our own IT leadership, we intend to revolutionize our claims process—faster processing, higher quality decisions, no lost records, fewer errors. I am personally committed to reducing the processing times of disability claims. We have work to do here. But we understand what must be done, and we are putting the right people to work on it.

Homelessness: Veterans lead the Nation in homelessness, depression, substance abuse, and suicides. We now estimate that 131,000 veterans live on the streets of this wealthiest and most powerful Nation in the world, down from 195,000 6 years

ago. Some of those homeless are here in Washington, D.C.—men and women, young and old, fully functioning and disabled, from every war generation, even the current operations in Iraq and Afghanistan. We will invest \$3.2 billion next year to prevent and reduce homelessness among veterans—\$2.7 billion on medical services and \$500 million on specific homeless housing programs. With 85 percent of homelessness funding going to health care, it means that homelessness is a significant health care issue, heavily burdened with depression and substance abuse. We think we have the right partners, the right plans, and the right programs in place on safe housing. We'll monitor and adjust the balance as required to continue increasing our gains in eliminating veteran homelessness. We are moving in the right direction to remove this blot on our consciences, but we have more work to do.

Effectively addressing homelessness requires breaking the downward spiral that leads veterans into homelessness. We must continue to improve treatment for substance abuse, depression, TBI and PTSD; better educational and vocational options, much better employment opportunities; and more opportunities for safe and hospitable housing. Early intervention and prevention of homelessness among veterans is critical. We have to do it all; we can't afford any missed opportunities.

The psychological consequences of combat affect every generation of veterans. VA now employs 18,000 mental health professionals to address their mental health needs. We know if we diagnose and treat, people usually get better. If we don't, they won't—and sometimes their problems become debilitating. We understand the stigma issue, but we are not going to be dissuaded. We are not giving up on any of our veterans with mental health challenges, and definitely not the homeless.

We have approximately 500 partners in nearly every major town and city across the country helping us get homeless veterans off the streets. With 20,000 HUD-VASH vouchers from the Department of Housing and Urban Development, and our \$500 million to invest in 2010 to cover safe housing and rehabilitation for veterans we have been able to coax off the streets, we are going to continue reducing the number of homeless veterans next year, and each year thereafter, for the next 5 years.

I know that this Committee and the President are committed to helping VA end homelessness among veterans. We are going to do everything we can to end homelessness among veterans over the next 5 years. No one, who has served this Nation, as we have, should ever find themselves living without care—and without hope. I know that there are never any absolutes in life, but unless we set an ambitious target, we would not be giving this our very best efforts in education, jobs, mental health, substance abuse, and housing.

Education: The President kicked off our post 9/11 new GI Bill program on 3 August, 2009. Two hundred sixty-seven thousand veterans have applied and been found eligible to participate in this benefits program this year, and we project that as many as 150,000 more may apply next year. The first time we did this, in 1944 during World War II, our country ended up being richer by 450,000 trained engineers, 240,000 accountants, 238,000 teachers, 91,000 scientists, 67,000 doctors, 22,000 dentists, and a million other college-educated veterans. They went on to provide the leadership that catapulted our economy to world's largest and our Nation to leader of the free world and victor in the Cold war.

Slow processing of enrollment certificates by VA and slower than anticipated submission of enrollment documents by some educational institutions delayed issuance of checks to schools and veterans. On 2 October, VA began an emergency disbursement of moneys nationally, working with the Treasury Department to provide almost \$70 million in advance payments to more than 25,000 veterans in the first 2 days of the program. These payments continue as a way to bridge the gap until the veterans' routine, monthly payments begin. We will do whatever it takes to get checks into the hands of veterans for their education, and we will improve the delivery system to eliminate the barriers to effective distribution of benefits in future years.

Jobs: This summer, I addressed over 1,700 veteran small business owners at the 5th Annual Small Business Symposium on 21 July. I reminded them that *Veterans hire Veterans* because they know what they're getting. Customers and partners value their skills, knowledge, and attributes and are eager to work with them. Just last fall, in a survey conducted by the Society for Human Resource Management, over 90 percent of employers said they valued veterans' skills, in particular, their strong sense of responsibility and teamwork.

VA puts veterans first in our contracting awards because we recognize the on-time, on-budget, quality solutions they bring to our contracting needs. In fiscal year 2008, our unique "*Veterans First*" buying program resulted in VA's spending more than \$2 billion on veteran-owned small businesses. That represented 15 percent of

our procurement dollars, up 5 percent from the previous year. One point six billion dollars of that amount was invested in service-disabled, veteran-owned businesses.

At VA, our experience is that veteran-owned small businesses have a high likelihood for creating new jobs, developing new products and services, and building prosperity. Increasing opportunities for veteran-owned small businesses is an effective way to help address many needs during this economic downturn.

So, *education, jobs, health care, and housing*: We have work to do here; but we have momentum, and we know where we are headed. We are positively engaged with the Departments of Housing and Urban Development, Labor, Health and Human Services, Education, and the Small Business Administration to work our collaborative issues.

A transformed VA will be a high-performing 21st century department, a different organization from the one that exists today. Beyond the next 5 years, we're looking for new ways of thinking and acting. We are asking why, 40 years after Agent Orange was last used in Vietnam, this Secretary had to adjudicate claims for service-connected disabilities that have now been determined presumptive. And why, 20 years after Desert Storm, we are still debating the debilitating effects of whatever causes Gulf War Illness. If we do not stay attuned to the health needs of our returning veterans, 20 or 40 years from now, some future Secretary could be adjudicating presumptive disabilities from our ongoing conflicts. We must do better, and we will.

VA's mission is inextricably linked to the missions of the Departments of Defense (DoD) and Health and Human Services (HHS)—and closely linked to the Departments of Housing and Urban Development, Education, Labor, and the Small Business Administration. We are not an independent operator. We administer the Servicemen's Group Life Insurance program and are prepared to deliver benefits for any of the 2.25 million men and women of all Services and Components, who are insured through it. And, together with DoD, we operate two of the Nation's largest health care systems—one for health care to meet operational commitments and one to deal with the long-term health care effects of those operations. As a result, we are a participant with HHS in discussions of how to best deliver health care. VA's budget requirements are largely determined by the operational missions performed by the courageous men and women in the DoD and the entitlements and benefits which accrue to them for taking those risks. Additionally, VA is uniquely positioned to help with ideas and a model for providing more Americans with better, more cost-effective health care, something VA has long pursued on behalf of veterans.

Largely hidden from public view is an enormous VA effort to improve management infrastructure and implement a Departmental model of management that insures significant improvement in human resources, IT, acquisition, financial and facilities management. This effort is critical to strengthening both our performance and accountability mechanisms across VA.

In all our missions, VA seeks to become more transparent by providing veterans and stakeholders more information about our performance than ever before. We want veterans to have the information they need to make informed decisions. We will be sharing more data about the quality of VA health care than ever before. Using our own Web sites, we are displaying information on quality including Health Effectiveness Data and Information Set (HEDIS) scores, wait times, and Joint Commission results.

Another element of transparency is disclosure when mistakes are made. We have aggressively disclosed problems with the reprocessing of endoscopes and with brachytherapy at several sites. These issues were found by our own staff and then publicly disclosed. In each of these cases, we notified Congress, the media, VSOs, and the patients. While this process is at times painful, it is the right thing to do for veterans and the Nation and will ultimately result in greater trust and better quality.

Summary

Our mission is to serve veterans by increasing their access to VA benefits and services, to provide them the highest quality of health care available, and to control costs to the best of our ability. Our efforts will remain focused on transforming VA into a 21st century organization—*People-centric, Results-driven, and Forward-looking*, and further refinement of our strategic plan to achieve our commitments and provide metrics for holding ourselves accountable. We are applying business principles that make us more efficient and effective at every opportunity.

However, transforming VA and the current pace of military operations have required new levels of resources. The care of veterans, like the sacrifices they make on behalf of the Nation, endure for many years after conflicts are resolved. This investment in our veterans will, over time, provide increasing returns for them, for

the Nation, and for VA. Providing veterans the care and benefits they have earned is a test of our character.

**Statement of Hon. Harry E. Mitchell, a Representative in Congress
from the State of Arizona**

Thank you Mr. Chairman.

I would like to thank the Members of the Committee, Secretary Shinseki, and those in the audience, for being here today.

The Department of Veterans Affairs was supposed to implement the much anticipated Post-9/11 GI Bill by August 1, 2009, delivering thousands of veterans their much deserved education benefits.

However, we have recently been made aware of problems with the timeliness of payments to students and their educational institutions. I have heard from many of these students in my district, the frustrations of not receiving their payments in time.

It has added a layer of stress to our veterans, at a time when they should be worried about their studies, not their rent.

This is, of course, not the only issue facing the Department. I hope to hear today about what the Department of Veterans Affairs is doing to improve internal backlog of claims. With the total number of claims reaching a million, I am eager to hear what the Department is doing to cut bureaucratic red tape.

With Chairman Filner's leadership, we took a big step this year by passing a funding bill that not only adds \$14.5 billion, but also includes \$48.2 billion in advanced funding. This advance funding will help ensure timely and predictable funding for veterans' health care, something that should never be put at risk because of partisan budget debates in Washington.

But clearly we still have a lot of work to do, and that's why I am looking forward to today's hearing.

I yield back the balance of my time.

