CHALLENGES IN RURAL AMERICA: INFRASTRUCTURE NEEDS AND ACCESS TO CARE

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

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Thursday, August 14, 2014

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

The committee met, pursuant to notice, at 10:05 a.m., at the Mueller Civic Center, 801 South 6th Street, Hot Springs South Dakota, Hon. Jeff Miller [chairman of the committee] presiding.

Present: Representatives Miller and Bilirakis.

Also Present: Representatives Noem and Smith.

OPENING STATEMENT OF CHAIRMAN JEFF MILLER

The CHAIRMAN. The committee will come to order.

Before I begin, I'd like to take care of one minor procedural detail. I ask unanimous consent that Congresswoman Kristi Noem and Congressman Smith be allowed to sit at the dais today and participate in the hearing. Without objection, so ordered.

Good morning, everybody, and thank you for joining us this morning. I am Jeff Miller, Chairman of the House Committee on Veterans' Affairs. I come from the panhandle of Florida where thousands live like millions wish they could.

The CHAIRMAN. I have never been to South Dakota. What a beautiful State. Thank you so much for your warm hospitality. It is a pleasure to be here with you today.

I am joined by the vice chairman of the full committee, another Floridian, Congress Gus Bilirakis, from the 12th district of Florida and, of course, I have already said Congressman Adrian Smith from the 3rd district of Nebraska and your Congresswoman and my good friend, Kristi Noem, from right here in South Dakota.

The CHAIRMAN. I think it is important that you know that Kristi is known in Washington as a leader, and this field hearing is being held today because Kristi asked us to come here and hold this field hearing. It is important to note that she has been involved in the issue in regard to your facility here in Hot Springs from the very beginning, and when it comes to veterans affairs issues, she is not shy about coming up to me on the floor and talking about the issues that affect her constituents here in South Dakota.

Earlier this morning, I was able to have a tour of the Hot Springs campus so we could see the facility. Firsthand I will tell you this—I had not heard about this facility until Kristi brought it to my attention several months ago. The first thing I did was go to the Internet and start looking at photographs. The photographs

do not do it justice. What a beautiful and wonderful historic facility.

The CHAIRMAN. It is very clear that this community and that facility have a storied past, taking care of those that have worn the uniform of this Nation, and it is our hope that some way, somehow we will find a way to continue that storied history that is held within the walls of that magnificent structure.

So, again, thanks to you all for being here today. Thank you again. Let me say this before we start. If you are able to stand, please stand, anybody who has worn the uniform and is a veteran of this country. If you cannot stand, just wave to us, but I would like to recognize the veterans in this audience today.

The CHAIRMAN. Thank you very much for your service. Again, we are here today to ensure that you receive the quality health care in a timely fashion that you have earned by wearing the uniform of this country. I know the Black Hills Health Care System, which has campuses in Fort Meade and here in Hot Springs, has the same desire, and that is to provide you the quality health care that you expect and certainly you have earned.

I just want to give a little background, if I can. In April, you know that the House Committee on Veterans' Affairs was able to break open, unfortunately, what is probably one of the largest crises that has ever happened within the Department of Veterans Affairs and maybe even the Federal Government. We found that VA employees were actually manipulating wait time schedules. Unfortunately, we have had veterans who have died because of those manipulations. And unfortunately, VA still has a long way to go to correct that wrong that was perpetrated on you.

I have pledged to the new Secretary, Secretary McDonald, that our committee will, in fact, work as a partner with him in trying to help restore the trust in VA that you would want to have and you would expect to have. But I have also told him that we will not give them a honeymoon period, if you will, because our oversight continues, oversight of the second largest agency in the Federal Government, over 330,000 employees and a budget of over $150 billion a year.

I think that it is important to understand that the veteran is sacred, not the VA. And that is what I think you would want us as Members of the United States Congress both in the House and the Senate to feel as we have conducted a very aggressive schedule of oversight hearings in the House in particular. You may have caught us on Monday evenings for some late night hearings that started at about 7:30. Some went to 1 o'clock in the morning trying to get VA to come forward and be as transparent as they possibly could in trying to get to the bottom of this issue. We wanted them to explain to us some of the initiatives that they have undertaken to try to fix the backlog that exists out there not only when it comes to provision of health care but also the process of disability claims and the processing problems that exist there.

VA will claim that they have cut the backlog in half. To be very honest with you, I do not trust those numbers. I would certainly expect that there are many of you that would feel the very same way. While they may have rushed some things out the door in an attempt to cut that number down, what they did was they actually

adjudicated some incorrectly and they also sent you into the appeals process which, of course, comes off of their books and does not count as a backlog claim, but for you the veteran, it is certainly claimed.

You know that the President signed last week a landmark piece of legislation that for the first time I think will change the way that VA provides health care. They continue to try to provide it the way that they did in the 1950's and the 1960's, but things have changed. Certainly the younger veterans of today from Iraq and Afghanistan understand that health care is delivered differently. Those of you from wars and conflicts prior to that or even in peacetime understand things are delivered in a different way. We have got to meld them together if we possibly can.

We reformed in a very small way a couple of things. Number one, we gave VA the ability to hold managers accountable. If they do not do the right thing, they should be able to be fired.

The CHAIRMAN. There are very few people, up until the law was signed, that the Secretary could actually fire at will. Now, out of the 330,000, we actually have added another 450. That is a first step. Accountability is important.

Transparency is important. VA needs to tell the truth. There is no reason that they should hide news, even when it is bad. They should bring that news forward so that each and every one of us understands what is going on at VA.

I think thirdly what this bill did was give the ability to look from the bottom up within VA, a true look at how VA delivers the services and the benefits that you have earned and from an outside perspective, not from within VA. VA is very good at trying to analyze itself and then putting forth the best picture possible that they can. This will be done by an independent group or groups over the next 9 months.

I will tell you this. Not one law that Congress creates will change the culture within VA. That has to be done within individuals. They cannot continue to have a culture of what I call corruption, what the White House calls corrosive. Same thing. They have to do the right thing in serving the veterans of this country.

Here in Hot Springs, I know that you have been faced with an issue now for a number of years, and we are going to take testimony this morning as to what the community thinks, what the veterans think, and certainly we will hear from VA this morning as well. We have heard from VA about the significant issues that they have to contend with. But in a community like yours, I will say this, that it is important for the community to be involved, and to see this many people turn out today is a true blessing for this community and to see the signs in all the local businesses. I have got to say thank you to Kristi and her staff and the other members that are here today.

I would also ask unanimous consent before we begin. Both Senators have asked that they have statements entered into the record. So without objection, that will be done.

The CHAIRMAN. You have a Senator who is the chairman of the Appropriations Committee that could help you in this issue. You should talk to him about it. It is very important. I would think he

should be here, if he could, if not today, certainly at another time to talk to you about this issue that is so important.

With that said, I want to recognize the vice chairman of the full committee, Mr. Bilirakis, for his opening statement.

[THE PREPARED STATEMENT OF JEFF MILLER APPEARS IN THE APPENDIX]

OPENING STATEMENT OF VICE CHAIRMAN GUS BILIRAKIS

Mr. BILIRAKIS. Thank you, Mr. Chairman. And I will be very brief.

But I do want to thank you, Mr. Chairman, because you are responsible for these reforms. The bill that passed this last month came out of our committee.

And I will tell you this. You have an outstanding Congressperson in Kristi Noem. She is so very well respected on both sides of the aisle in Washington, DC. And she is fighting for you, particularly for our true American heroes, our veterans.

So I do have a brief statement, Mr. Chairman.

Thank you, Mr. Chairman, for holding this important field hearing to ensure that VA has the capacity to provide veterans quality health care in the VA Black Hills Health Care System.

I would also like to thank all of the members of the community who gather here today to address the concerns and challenges that veterans in rural areas face so we can work towards improving these issues. I look forward to hearing from local veterans and stakeholders in the community on their views, opinions, and concerns on the current VA health care system and how we can better provide quality health care for our veterans. That is the bottom line.

And you know, we are U.S. Representatives. We not only represent our district but the entire United States. So we will fight on your behalf.

It is my understanding that many veterans must travel 100 miles or so to your nearest VA hospital, and once you arrive, you are troubled to find that the hospital does not provide the services you need. I want to address these issues today so that we can find effective solutions to provide for each of our veterans' unique needs and improving a system that can benefit each one of our Nation's true American heroes. South Dakota has a longstanding history of health care and support for our veterans, with facilities provided for over 107 years. What beautiful facilities they are too. I was very impressed with the services you provide here. We must keep them here. With the expectation for both rural and highly rural veterans to increase, it is imperative that veterans continue to have access to these facilities and services.

I remain hopeful that through our hearing here today we can find the right path forward that best suits the needs of our veterans and this community. I look forward to hearing the testimonies, and I thank you very much. What a beautiful place this is. Thanks for having us here today.

I yield back.

The CHAIRMAN. I now recognize your Congresswoman, Kristi Noem, for a brief opening statement as well. Kristi?

OPENING STATEMENT OF HON. KRISTI NOEM

Ms. NOEM. Well, thank you, Mr. Chairman. It is a good day. I am glad we are all here, and I am glad to see all of you here as well.

I want to, first of all, thank the chairman for coming and for having this congressional hearing, Representative Bilirakis for coming and traveling so far as well, as well as Representative Smith who has constituents that are impacted by the proposed closure of this facility as well.

Welcome to the veterans' town. Hot Springs has always been known in South Dakota as the veterans' town. The entire town wraps its arms around our veterans, cares for them, helps heal them. It is not just about buildings. It is not just about doctors and nurses. It is about coming to a place where everyone loves you, appreciates your service to this Nation, cares for you, and wants you to be healed and as well as you ever were at one point in your life.

The Hot Springs VA Hospital has been slated for closure ever since the Department of Veterans Affairs announced a plan to realign the Black Hills Health Care System in 2011. For nearly 3 years, the tristate delegation has worked together and had a number of serious conversations and also serious reservations regarding that plan.

I am very appreciative of your willingness to hear from the Hot Springs community, the veterans who are served from this hospital. We have some of them testifying today. Their perspective cannot be left out of this conversation.

I have been very troubled by the VA's disregard of stakeholder grievances. I am also very concerned about the data that they have been using that has justified the hospital's closure, and I believe it is incorrect. I have seen overwhelming evidence of data discrepancies, including a very concerning cost-benefit analysis that was conducted last year. Additionally, there appears to be a systematic dismantling of services at the hospital.

[Applause.]

Ms. NOEM. I believe that the true potential of this hospital has not been reached and that the services that our veterans deserve must return to Hot Springs immediately.

[Applause.]

Ms. NOEM. Late last month, the VA released the findings of an audit that the VA conducted of the Black Hills Health Care System. I was very disappointed to see that the Black Hills Health Care System had considerably lower marks than other hospitals that were in the area and the national average. These numbers are unacceptable. I believe that the VA must address those numbers and those statistics by bringing services back to Hot Springs and ensuring that veterans are receiving the care that they deserve.

I know that there are many other issues surrounding the Hot Springs VA, including the environmental impact statement process, the National Environmental Policy Act, or NEPA, compliance, costs for mothballing the facility, the restriction of access that Native American veterans would face if the Hot Springs facility were closed, and the potential for mental health treatment at the facility.

I look forward to all of the witnesses and the wisdom and perspective that they will share with us throughout this committee hearing.

I know in South Dakota that many veterans are satisfied with the care that they get because we have got good people here in South Dakota that grew up here helping to take care of them. We are very blessed to have them to care for those who have earned the distinction of being called a veteran. However, given recent reports of VA scandals and audit findings, I do not think it is appropriate to move forward with closing a facility that the veterans rely on.

[Applause.]

Ms. NOEM. So ensuring that this facility is able to continue serving the men and women who have worn America's uniform is on my top priorities.

I again thank Chairman Miller for holding this critical hearing as the community fights to restore the Hot Springs VA facility to full service so we can properly serve those veterans who have so honored us by serving us. Thank you.

The CHAIRMAN. I now recognize Congressman Adrian Smith for his opening statement. Adrian.

Mr. SMITH. Thank you, Mr. Chairman. Thank you, Mr. Vice Chairman Bilirakis. Thank you to everyone who has shown up here today.

I am grateful to have the opportunity to represent part of Nebraska in the United States House of Representatives and certainly representing more specifically the veterans who have so sacrificially served, as well as their families who have supported our veterans along the way as well.

I want to thank our witnesses here. I appreciate the opportunity to work with you along this journey. It has been quite a journey, and I am grateful that we can interact so positively and hopefully bring about a positive result in standing behind I think not just the building, not just individuals one at a time, but perhaps that is the case too, but this community, this community of veterans. I have to think that the community—and when I say "community," I actually kind of mean a three-State area, if you will, Mr. Chairman.

In fact, how many are here today from Nebraska? Do you want to raise your hands?

Mr. SMITH. Very good.

Maybe even some folks from Wyoming. Any folks from Wyoming as well? Okay. There we go.

Mr. SMITH. We know that there was an official announcement on December 12th, 2011 when the VA announced its plans to reduce the services at Hot Springs, moving all inpatient services to Rapid City. I immediately sent a letter to former Secretary Shinseki expressing disappointment and concern with the proposal. And, of course, we know that services have been changing in a less than positive fashion even prior to December of 2011. Specifically, I was concerned, following this announcement, it would jeopardize access to care of thousands of veterans, many of whom reside in the 3rd district of Nebraska.

I have since sent or signed onto seven additional letters regarding this proposal. Reducing services at Hot Springs and requiring

many rural veterans from Nebraska to drive upwards of 6 hours round trip for care will cause many to not seek or delay seeking the services they need. It will put an unnecessary burden on their families who help transport and care for them. Rural veterans already find it increasingly difficult to access the care they require. Approximately 3.4 million veterans, 41 percent of the total enrolled in the VA health care system, live in rural or highly rural areas of the country.

I have appreciated the VA's cooperation with my and my colleagues' requests to hold additional meetings and delay any final decisions. And I appreciate former Secretary Shinseki agreeing to meet with the Save the VA Committee per our request.

But I remain concerned that this is not enough and the VA has not fully and transparently addressed these concerns that we have expressed. Reducing services at Hot Springs will reduce services for our veterans who have already sacrificed so much. At a time when we are working so hard to improve access, increased transparency and accountability within the VA and improve the quality of care, this proposal simply does not make sense.

Again, I appreciate the community support here today. I have to think that community support and accountability like this would prevent other problems in the VA that we have seen in other parts of our country.

So, again, I want to thank Chairman Miller. Thank you for holding this hearing today and also everyone else who has worked so hard to preserve access to care here in Hot Springs, South Dakota. Thank you. I yield back.

The CHAIRMAN. We are going to begin the hearing today with a group of witnesses that are already seated at the table, and in just a minute, I am going to recognize Kristi to introduce the witnesses at the table.

But before, I would like to give you an idea of how a congressional hearing works. Each person will be given 5 minutes for their opening statement. There is a little clock right in front of me. It has some lights on it. As long as that green light is on, you are good to go. When you get to the yellow light, some people say it is a minute. Some people say it is 30 seconds, but understand it is kind of time to wrap up. When it gets to red, that means, obviously, time is up. When it starts blinking, I have no idea what is going to happen.

[Laughter.]

The CHAIRMAN. Look, if it goes to red and it blinks a little bit and you have more to say, don't you worry about a thing. All right? We want to hear from you.

Can I ask a favor? Do you mind if I take my coat off? Is that okay? All right. Guys, if you want to take your coats off——

The CHAIRMAN. It is going to get hot.

Kristi, you are recognized to introduce the folks that are here on our first panel. Thank you very much.

Ms. NOEM. Thank you, Mr. Chairman. I am very proud to have the witnesses here today seated at the first panel.

First to testify will be President Bryan Brewer, who is President of the Oglala Sioux Tribe, who represents many veterans. And I appreciate his input throughout this entire process.

We also have Commander Tim Jurgens here. He will be speaking on behalf of the American Legion, and we appreciate their leadership on this issue as well.

Mr. Bob Nelson will be speaking as a veteran but also as an integral part of the Save the VA Committee. So I have always appreciated his candid conversations that he has had with me as well.

Amanda Campbell will speak as well. She has been a very important part of the Save the VA Committee. She has worked through the EIS process and lends a lot of information and wisdom to that process, and we really appreciate her insight and ability of her to testify here today.

Pat Russell will speak after Amanda. Pat has been a spokesperson for the Save the VA Committee, a very important one that has done a very fine job of coming to Washington, DC and articulating the concerns and the facts around the proposal that the VA has put forward and how the community feels and what their heart is on the issue.

Last we have Larry Zimmerman who will be speaking as well. He is South Dakota's Secretary of Veterans Affairs, and if there are any veterans' issues going on in South Dakota, Larry's heart is there and he shows up and always gives us his perspective.

So I would ask that all of you share your thoughts, your hearts, and your minds on this proposal and your perspective. It will be very beneficial to all of the members here today on the committee, and we certainly appreciate you being here.

The CHAIRMAN. Thank you very much, Kristi.

And again, all of your written comments will be entered into the record as is the custom of our committee. We are grateful that you would be here to testify today.

Mr. President, President Brewer, you are recognized for your opening statement.

STATEMENT OF BRYAN BREWER

Mr. BREWER. Good morning. [Speaking native language.] My name is [speaking native language.] My English name is Bryan Brewer, and I am President of the Oglala Sioux Tribe and I represent approximately 40,000 people on our reservation. Today I am also speaking for the Sicangu Nation of Rosebud and also the Cheyenne River Sioux Tribe.

I am also a veteran. I served in Vietnam from—I was in the service from 1965 to 1969. I served three tours as a Navy Seabee. I am a combat veteran. And I am also a disabled American, and I use the facilities here at Hot Springs. I have been using the facilities here for over 15 years, and it is something that we all cherish our times when we come up here.

I am aware of the recent concerns nationally regarding the VA health care system. You know, most of the health care that I needed—they all have been provided. Everything that I needed I could get here. There is a specific care that could not be handled here. I was sent to various other places, to Sturgis. I went to Omaha once and they flew me to Minneapolis one time. So the care is here. We need to utilize it.

While it maybe seems isolated, it serves veterans beyond South Dakota and many from our sister Lakota tribes of the Cheyenne

River and Rosebud. Over the years, I have met veterans from Wyoming, Montana, Nebraska, North Dakota, and sometimes beyond depending on what services they have come to receive. So this facility is crucial to the veterans in this entire region.

One of my big concerns is that the numbers of the Lakota veterans—and I seen a letter that was sent to Senator Tim Johnson, and our numbers were not included in that, the Lakota veterans.

As you are aware, there is a current memorandum of understanding between the VA and the Indian Health Service to encourage cooperation and resources between the two departments. While this partnership has been shown to work well for our sister tribes in other parts of the country, the preference for local American Indian veterans is to get their health care from the Hot Springs VA. Here we are consistent with our health care providers, quick responsiveness to our arising health issues, trust in confidentiality in our provider and patient exchanges, and for the most part, appointments are timely and prompt.

As outlined in the 2010 report on IHS by former Senator Byron Dorgan, IHS in the Aberdeen area struggles and has a difficult time to meet the basic health needs of its patients. The VA recognizes that we as veterans have very unique health care needs and works hard to provide services to address those needs. For many reasons, IHS is an overwhelmed system and is not equipped to address the very precise and delicate nature and delivery of care that veterans require.

One example of care veterans require is the treatment of post traumatic stress disorder. The PTSD treatment center here at the Hot Springs VA has the reputation of being one of the best treatment programs in the country. You know, we need to expand this.

I appreciate the cultural competency and sensitivity of the staff and leadership here at the Hot Springs VA. It is one place I can come and I feel I am treated the same as my non-Indian counterparts. We are all treated with professionalism. We are all treated with dignity and respect. We are all treated as all American veterans.

Over the years, I have seen many American Indians join the staff here. The Hot Springs VA supports and encourages the use of traditional Lakota practices. We are allowed to use a smudge with our medicines, sing our prayer songs, and are supported with our inipi, our sweat lodge ceremonies. These are conducted by local tribal members. The PTSD treatment program has components specifically tailored to the American Indian veterans. And I would like to thank Richard Galliani for all that he has done with our Lakota patients here.

Culturally for the Lakota, the Hot Springs area has significance in regards to the healing properties and being a place to collect some of our traditional Lakota herbs and medicines. Located near Hot Springs, Wind Cave is a sacred site to us Lakota. It marks the place where we emerged from Mother Earth to the outside world. In a recent letter written to newly appointed Secretary Robert McDonald, delegates stated in that letter, "For more than 100 years, veterans however been coming to Hot Springs to receive health care." We can appreciate this historical significance, as our ancestors have been coming to the Hot Springs area for thousands

of years. For us Lakota, it makes sense that this area with is beauty and healing powers would be where a VA facility would be built.

To date, there has never been a census of the veterans on our reservation. We estimate that there are over 3,500 Oglala Lakota veterans on our reservation. And we know that not all these veterans currently utilize the VA. Some are unaware of the services that they have a right to access. Locally we have partnered with the Disabled American Veterans and the American Legion to help inform and recruit veterans to use the VA. Our hope is by increasing the amount of veterans to the VA, revenue to the Hot Springs VA and overall area will also increase.

In conclusion, the Hot Springs VA has a long history, strong cultural ties, and an undeniable commitment to veterans' health. As I sit here today, I think of all the veterans, the warriors, the heroes from our communities who passed through the walls of the Hot Springs VA. They came here for care, for healing, for camaraderie, and some came here for the final days. Closing the VA in Hot Springs not only changes the landscape of Hot Springs and western South Dakota, it robs veterans of the unique and specialized care that have received for decades and should receive for decades to come.

I want to thank all of you. Mr. Miller, Chairman, I really want to thank you for coming to South Dakota. Mr. Bilirakis, Mr. Smith, and Kristi, I really want to thank you for making this all happen today. [Speaking in Native Language.]

[THE PREPARED STATEMENT OF MR. BREWER APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you very much, Mr. President.

The CHAIRMAN. I wanted to say thank you in Lakota. I tried to look it up on my iPhone but I am not even going to try.

[Laughter.]

Mr. BREWER. Pilamiya.

The CHAIRMAN. Thank you.

Commander Jurgens, you are recognized for 5 minutes.

STATEMENT OF TIM JURGENS

Mr. JURGENS. Thank you, Chairman Miller and members of the committee.

Forty one veterans. That is the projected decline in veteran population between now and the year 2020 according to VA's own data. 41 veterans.

With a market penetration 20 percent higher than the national average, the Black Hills VA medical service should be championed as a model of efficiency, not targeted for dismantling. It is clear that veterans in the Black Hills catchment area value the use of the VA. Reducing services and making VA treatment options more difficult to access violates the agreement our Federal Government has made with our Nation's veterans.

Chairman Miller and members of the committee, on behalf of our National Commander, Dan Dellinger, and the 2.4 million members of the American Legion, thank you for holding this important hearing to help the VA and our Government understand how critically important it is to maintain the services we have here in Hot

Springs and not degrade the services our veterans have relied on since 1909.

Last week, the President signed the VA Health Care Access and Accountability Act into law. Our National Commander was present at the bill signing, and our national staff worked closely with your staff over the course of several months to ensure that the bill addressed the immediate needs of this country's veterans. As you know, that bill contains a provision that mandates VA to release veterans from VA-provided care and further burdens the Federal Government to absorb the additional expense of contracting that same care that the VA is incapable of providing in a timely manner.

The proposed realignment transfers several services currently offered at Hot Springs to the Rapid City facility while relying on the Fall River civilian community facility for additional support at a contracted rate. While the American Legion opposes closing the Hot Springs hospital anyway, it was interesting and telling that after the VA announced this new proposed partnership, the American Legion met with the board of directors of the Fall River hospital, and as we have noted in our written testimony, no such agreement had been worked out and that as of March of this year, they have repeatedly asked VA for details regarding any proposed arrangement. But VA never responded.

Realignment of Hot Springs services will disenfranchise more than 4,000 veterans. Rapid City is more than 60 miles one way from Hot Springs, which means that the vast majority of veterans who have services transferred from Hot Springs to Rapid City will immediately qualify for and be issued choice cards and leave the VA system.

The American Legion spends tens of thousands of dollars annually conducting site visits to VA hospitals around the country. Our staff and members have hundreds of years of experience working with and for VA. Our members rely on us for accurate, meaningful, and timely information, which we painstakingly provide. As such, the American Legion has presented VA with a list of recommendations that we believe will best support our local veteran community and is in the best interest of VA.

VA should not relocate and/or close medical services until a new facility is in place or in order to accommodate the health care needs of the veterans in Hot Springs catchment and/or surrounding areas.

VA should maintain the same level of care and/or services and provide equal understanding of veterans' health care needs if contracted to non-VA medical facilities.

If the VA medical center was to be closed, VA should plan to open a super CBOC to provide both primary and specialty care services.

VA should keep the domiciliary on the Hot Springs campus to provide long-term extended care to meet veterans' long-term care needs.

The VAMC should search opportunities to make use of the State Veterans Home in Hot Springs.

Future plans should reflect necessary services that veterans in the Hot Springs catchment and surrounding areas need.

And finally, without viewing a finalized contract with the local hospital in Hot Springs, the American Legion at this time cannot ensure reconfiguration of inpatient services will provide the same quality care that veterans are currently receiving at Hot Springs.

Every day in America, 82 people take their own life. That is one every 17 and a half minutes. 26 percent of suicides are veterans. And yet, only 7 percent make up the population. The stakes could not be higher. Any degradation of services for veterans in this area, especially services associated with mental health, would be tantamount to reckless endangerment. The mental health of veterans is something the American Legion takes very seriously, and we adamantly oppose by resolution eliminating or reducing services to veterans in the Hot Springs area in any way.

Thank you. Thank you, Mr. Chairman and the members of the committee.

[THE PREPARED STATEMENT OF MR. JURGENS APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you, Commander.

Mr. Nelson, you are now recognized.

STATEMENT OF ROBERT NELSON

Mr. NELSON. Chairman Miller, Vice Chairman Bilirakis, Congresswoman Noem, Congressman Smith, welcome and thank you for taking the time to come to Hot Springs to hear our concerns about the VA's proposed closure of the Hot Springs VA.

My name is Bob Nelson. I served 4 years in the Navy and after my discharge in 1974, I began working at the Hot Springs VA Medical Center. After 36 years of serving America's veterans, I retired in December of 2012.

Eighteen years ago, the VA merged two rural VA hospitals into the Black Hills Health Care System. That decision has eroded medical services and in many cases eliminated available services and, as a result, access to care for veterans wanting to use the Hot Springs VA. Some of these veterans travel 150 miles one way from rural and highly rural America and from medically under-served areas in southwestern South Dakota, northwestern Nebraska, and eastern Wyoming.

The VA insists the current domiciliary in Hot Springs and its associated substance abuse and PTS programs should be moved to Rapid City because Rapid City has the largest majority of veterans. In fiscal year 2010 and in fiscal year 2011, over 90 percent of the domiciliary patients came from locations other than Rapid City.

From 2008 through 2011, a total of 448 veterans were in a homeless shelter in Rapid City despite an average daily census in the Hot Springs domiciliary of only 76 veterans. A daily census that is 24 veterans under the authorized daily census for the domiciliary. The wait times to get into treatment programs in the domiciliary grew from 92 days in fiscal year 2010 to 157 days in fiscal year 2011. If there is a wait time to get into the domiciliary, should it not be because the domiciliary is full?

The cost to have veterans in that——

Mr. NELSON. The cost to have veterans in that homeless shelter from 2008 through 2013 was $3.3 million.

The VA has said publicly Hot Springs averages five hospital inpatients daily, which is insufficient to maintain staff proficiency over time and stresses recruitment and retention. The number is actually six inpatients, and the VA always neglects to mention the four nursing home care unit patients that are also on the same ward as the inpatients. The medical staff is not taking care of only five patients per day. They are taking care of 10 patients per day, twice the number the VA uses publicly.

The VA's own internal audit of the Black Hills Health Care System found 14 percent of schedulers at the Black Hills Health Care System said they were instructed to change the waiting times after a veteran first requested an appointment.

In December of 2011, the VA's announcement of the proposed Hot Springs closure was seen by many veterans as an attempt to marginalizes us. They had reduced us to green dots on a Power Point slide.

In spite of these criticisms, veterans that are still able to use the Hot Springs hospital echo what other veterans across the country are saying. The quality of care they receive is excellent. The proposed closure of the Hot Springs VA, their access point to health care, is what angers them.

The employees of the Hot Springs VA who work every day under difficult circumstances to provide care to America's veterans are victims of friendly fire, wounded by the very administrators entrusted to care for America's veterans.

Chairman Miller, on behalf of the veterans who want to continue to use the Hot Springs VA, we need your committee's help. This has never been a proposal by the VA. The VA is moving forward with their plan. Without congressional intervention, the VA will likely close the Hot Springs hospital. Local management for 2 and a half years has repeatedly heard from the veterans that use the Hot Springs hospital, and the VA continues to turn a deaf ear to those veterans' concerns. Black Hills management is either unable or unwilling to stand up for the veterans they are charged to serve. Maybe they just do not know how.

It is time to follow the lead of the national American Legion and call for a change in the current management of the Hot Springs VA. Veterans who want to continue to receive their care at Hot Springs and Hot Springs employees deserve better than an administration that has taken what was once a fully functional hospital and reduced it to little more than a transfer station to other hospitals.

Mr. NELSON. Veterans who depend on Hot Springs VA for their care deserve administrators who understand the needs of rural veterans.

And finally, Chairman Miller, Save the VA is asking you to support South Dakota's congressional delegation to have Secretary McDonald personally visit the Hot Springs VA. The first facility in the VA system to provide medical care for our country's veterans, Hot Springs is the granddaddy in the VA system, and we are proud to say also a national landmark.

This concludes my oral testimony. Again, thank you for the opportunity to speak to you today. I will be happy to answer any questions you may have.

[THE PREPARED STATEMENT OF MR. NELSON APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you, Mr. Nelson.

Ms. Campbell, you are recognized.

STATEMENT OF AMANDA CAMPBELL

Ms. CAMPBELL. Good morning and thank you. Welcome to Hot Springs and thank you for coming.

We have said in the past that what has happened to the Hot Springs VA is a local example of a national problem. A toxic cocktail of four things has brought us to this current point: negligent management lacking integrity, poor and manipulated data, bad decisions based on that poor data, and agency inertia.

We have recently seen a change in Washington, DC with the removal of Dr. Petzel and Secretary Shinseki.

Ms. CAMPBELL. In his final remarks, the Secretary said that the problems that this agency faced can be fixed. I believe that to be true 100 percent. We are hopeful and we are anxious to see how the new VA leadership in DC continues to heal this broken system.

I ask you folks to hold onto your hats because I am going to say something that you probably never heard before. What has happened in DC in the last few months is exactly what needs to happen in the Black Hills.

Ms. CAMPBELL. We are calling for the immediate removal of the Black Hills VA Health Care System Director.

Ms. CAMPBELL. We are calling for the implementation of a leadership with national support for that leadership that does not reduce the National Environmental Policy Act to a predetermined process and an exercise in box-checking.

We are calling for a leadership that does not violate the National Historic Preservation Act by neglecting to consult with the Advisory Council on Historic Preservation, the South Dakota State Historic Preservation Office, or the Tribal historic preservation officers.

In 2010 and in 2011, the VA made the following statements.

Number one, the Hot Springs facility is in poor physical condition.

Number two, the Hot Springs facility has outlived its useful life.

Number three, the Hot Springs facility is not ADA compliant.

Number four, rehabilitating an old facility to meet historic preservation standards is too costly.

And last but not least, quality care cannot be offered in the historic layout of the Hot Springs facility.

We are calling for a leadership that does not decide to decommission a national historic landmark, a sacred site, and a national treasure with a legacy of care based on an uneducated and an unqualified opinion of two administrative staff and agency inertia. We are calling for a leadership that does not make those statements without first conducting a valid structural assessment, a feasibility study into the rehabilitation of that structure, and an adequate consultation with the required partners, and last but not least, a common sense discussion about what is best for rural veterans.

I will tell you that a structural assessment was finally conducted by a qualified architectural firm with the experience. The words

used to describe that facility were not poor. It was not unuseful. The words were excellent condition, very good condition, good condition, constructed of inexpensive and readily available materials, and no historic preservation premium should be anticipated.

We are calling for a leadership that does not manipulate the interpretation of ADA regulations to insist on new costly construction versus economical rehabilitation of a facility that is already 100 percent ADA compliant and has been since the 1970's in areas where the patients receive care and reside.

We are calling for a leadership that recognizes the outstanding level of care offered here because of that legacy of healing over the last 107 years and because of the nationally recognized care in that existing facility.

We are calling for leadership that does not violate its own handbook and directive 7545 of the VA handbook.

We are calling for leadership that does not instill fear of reprisal in hundreds of its employees.

We are calling for leadership that does not employ a real estate firm to offer major repurposing options of a national historic landmark without even setting foot onto the campus. Mind you, this is the same firm that the VA OIG found to be off by $49 million regarding the consolidation of the Brecksville and the Wade Park facilities—$49 million annually.

We are calling for a leadership that does not violate five executive orders with its intention to close, one of those being the removing of the access of Native Americans to sacred sites, another being the impact on low-income and minority populations, and yet another to consider the location of agency operations within historic districts.

In closing, we have provided you with volumes of data that we cannot summarize in 5 minutes, but all of this data points towards a restoration of services here in Hot Springs. We are calling for a leadership that recognizes the legacy of healing, the potential, the advocate community, and rural and therapeutic setting, a healing environment, and bottom line, the desires and the needs of our veterans.

Thank you.

[THE PREPARED STATEMENT OF MS. CAMPBELL APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you, Ms. Campbell.

Mr. Russell, you are recognized.

STATEMENT OF PATRICK RUSSELL

Mr. RUSSELL. Representative Miller, Representative Bilirakis, Representative Noem, Representative Smith, I am Patrick Russell, Army veteran, a medical technologist at the Hot Springs VA, President of the American Federation of Government Employees Local 1539, and co-chair of the Save the VA Committee in Hot Springs.

On behalf of the Save the VA Committee, I would like to welcome you to Hot Springs, and we appreciate the opportunity to share our concerns about the proposal to close the Hot Springs VA Medical Center.

There are many issues that need to be taken into consideration on this proposal, but I will limit my oral statements to the loss of

services and personnel and the impact to the loyal employees and the veterans that we serve.

Management of the Black Hills Health Care System has systematically been dismantling the Hot Springs VA since 1996. This was an observation made by Senator John Thune on January 28, 2013 in a meeting with Secretary Shinseki, Senators Enzi, Barrasso, Johanns, Johnson, and Government Dennis Daugaard and Representative Noem. This systematic dismantling has caused undue hardships on the veterans and lowered the morale of the employees who have been bearing the brunt of a greater workload.

Since 1996, we have seen the complete loss of surgery services to include orthopedic surgery, colonoscopy, and upper GI endoscopy, cataract surgery, and general surgery and anesthesia services. We have seen the loss of radiologists and fluoroscopy and other onsite radiologist-assisted procedures. We have lost our ICU unit. The emergency room is now downgraded to urgent care. We have lost our cardiac rehab clinic. We have lost the ability to ventilate patients in respiratory distress. We have lost the sleep lab. We have lost the pacemaker clinic, nuclear medicine, stress tests, a cardiology clinic, and a neurology clinic. The list continues to grow, and as these clinics and services are lost, our veterans are forced to travel longer distances for services they once received here. Many of the veterans we serve come from rural and highly rural areas where these services are not available in their local community hospitals and clinics.

In March of 2004, in a hearing before the Senate Veterans Affairs Committee, the CARES Commission recommended that the Hot Springs VA Medical Center retain its current mission to provide acute in patient medical, domiciliary, and outpatient services. The commission did not concur with designating this facility as a critical access hospital.

During the recent scoping meetings for the environmental impact statements, we heard from veterans in Pine Ridge, South Dakota; Chadron, Nebraska; Alliance, Nebraska; and Scottsbluff, Nebraska saying they now travel farther for their treatment, and they have all commented on the great quality of care they have received from the employees at the Hot Springs VA. Closing this facility will further reduce access into the VA system. The veterans we serve will be put into longer lines or perhaps waiting lists at VA medical centers where they will be referred.

In the Black Hills proposal to close this facility, they state that they will absorb the 300 Hot Springs employees and nobody will lose a job. However, they go on to state that over a 5 to 10 year period, they will eliminate 300 positions throughout the system through attrition.t a time that the House Veterans' Affairs Committee is looking at access and waiting times, much of which is attributable to not having enough staff to handle the workload, Black Hills management wants to close an access point and reduce the staff. This will only make the issues worse. As a taxpayer, I feel my taxes will be wasted on building a domiciliary we already have. As a veteran receiving care at the Hot Springs VA, I have had to travel to Fort Meade to undergo procedures that were once available in Hot Springs.

Veterans have paid for their care by service to their country. We should not have to beg to retain that care.

Mr. RUSSELL. But as a representative of the employees who work at the Hot Springs VA Medical Center, I see the pain and anguish as they are being pushed to their physical, mental, and emotional limits by a management that has cut their numbers and limited what they can do for the heroes that we serve every day.

Mr. RUSSELL. The VA's entire plan does not do justice to the veterans, the taxpayers, or the employees of the Hot Springs VA. What our veterans earned we deliver.

This concludes my oral statement. I thank you for your time and willingness to hear our statements.

[THE PREPARED STATEMENT OF MR. RUSSELL APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you, Mr. Russell.

Secretary Zimmerman, you are recognized.

STATEMENT OF LARRY ZIMMERMAN

Mr. ZIMMERMAN. Thank you, sir. Good morning, Chairman Miller, Vice Chairman Bilirakis, Representative Noem, and our Representative from the State of Nebraska, and members of the committee. I am pleased to be here today to present our concern for the health care challenges faced by veterans in rural America.

My name is Larry D. Zimmerman. I serve as Governor Daugaard's Secretary of the South Dakota Department of Veterans Affairs. Our department is the voice for South Dakota's 75,000 veterans. I served active duty from 1973 to 1976 in the 4th Infantry Division at Ft. Carson, Colorado and served 29 years in the South Dakota National Guard, most recently serving as the State Command Sergeant Major. I had the distinct honor to complete a tour of duty in Afghanistan in support of Operation Enduring Freedom as the Operations Sergeant Major for the nine northern provinces in that country.

South Dakota is fortunate to have three VA health care facilities in our State, 12 community-based outpatient clinics, and three vet centers. We are fortunate to have 66 county veterans service officers and seven tribal veterans service officers and over 20 service organizations that are committed to enhancing the lives of our veterans.

In 1889, the Grand Army of the Republic secured territorial legislation to construct a veterans home. It is our understanding the Dakota Territory was the first of all territories to provide a home for their veterans. In 1907, the Battle Mountain Sanitarium opened its doors in Hot Springs to focus on short-term medical needs of veterans. All through over the years, both facilities have changed their names—although they have, the VA Black Hills Health Care System and the Michael J. Fitzmaurice State Veterans Home have worked together to provide care for the veterans for over 107 years.

I give you some numbers that reflect the State veterans home use of the VA here in Hot Springs in the past year.

Veterans health care is a critical issue and is important we honor the promise to take care of those individuals who secured and protected our freedoms. During a 1-year window, the Michael J. Fitzmaurice State Veterans Home transported our heroes to the VA

health care facilities here in Hot Springs 1,272 times for urgent care, eye care, dental care, dialysis, respiratory care, x-rays, urology, podiatry, and mental health care. In addition, during that same 1-year time frame, 40 of our heroes from the home were admitted to acute care at the VA Black Hills Health Care System here in Hot Springs, and 108 times for higher level care they were transported to Rapid City via the VA. Additionally, thousands of veterans drive from other States, tribal lands, and many of South Dakota's most rural areas to receive that medical care here.

Our heroes deserve the opportunity to enjoy the rest of their lives and being assured they will have access to quality health care. South Dakota has a strong legacy of taking care of our veterans, and we at Michael J. Fitzmaurice State Veterans Home will guarantee that our heroes' needs will be taken care of no matter what the decisions.

In closing, I appreciate the support that your committee has given and to all the issues relating to veterans. I appreciate the invitation to present this information to you and will be pleased to answer any questions you may have.

On a personal note, I just had knee replacement 7 weeks ago at our VA facilities in the Hills. The care and giving that those people from the VA gave me was outstanding.

We do have issues. I totally understand that. We need our health care facilities. But I want everybody to please remember that the representatives and/or employees of these great VA facilities have a heart and a mind to take care of our heroes, and they do that with every ounce of their ability. They do take care of us. Change is not good sometimes. We want to represent the veterans of the State. I hope that you as a committee can understand the need and see the crowd that represents the veterans of this great State.

Thank you for your time, Mr. Chairman.

[THE PREPARED STATEMENT OF MR. ZIMMERMAN APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you very much to all of you for your testimony.

Before I recognize Kristi for questions, I just want to make one quick comment. If there is one single employee that is singled out for reprisal for speaking the truth, I hope you will contact me directly because that is not acceptable. The men and women in this room fought for the ability for people in this country to speak their minds, even if their government disagrees with it, and if that happens, please let me know.

And with that, Kristi, you are recognized for any questions.

Ms. NOEM. I wanted to start with Bob. I would like you to expand a little bit. The VA has continuously used demographic data to justify the closure of the VA facility. I would like you to expand on what the Save the VA Committee has done to refute some of the data that VA is currently using and how you arrived at some of the numbers that you did and how that is different than what you feel the VA system is using to justify closure of this facility here.

Mr. NELSON. Thank you. After the VA made the announcement in 2011, we got together to try to figure out how we are going to make some sense of this. Pat is employed there. I am a former employee. There are a lot of folks that were saying this just does not

make any sense. So through the Freedom of Information process, we started asking all kinds of data of the VA, the number of veterans that were on wait lists for domiciliary, just all the stuff that is in my written testimony. And time after time, the Freedom of Information requests confirmed what the employees were telling us, is that the numbers that the VA is putting out there are to put a spin on their proposal. It is my own personal belief that the VA did not expect to find themselves in this situation.

In the summer of 2011, veterans and employees were starting to get a sense that something was happening up there that the VA was not telling us about. So it is when we approached South Dakota's congressional offices and started expressing the concerns that we need to have somebody look into this. And at the time, South Dakota's congressional offices got on board with us, as they have been from 2011, and they asked Secretary Shinseki to come to Hot Springs and talk about what was going on. He was not willing to do that. So we ended up in Washington.

But consistently the VA, I think, has tried to defend a decision after they made it, and they have done a poor job of doing it because when they go back and they try to scramble and put a spin on what the true data is, they just cannot do it.

Yesterday I gave to your staff, Chairman Miller, a little thumb drive that has all of the data that we have collected, the Freedom of Information Act requests. So I encourage you to interpret that data, have your staff and interpret it on your own. The resolutions that have come from the Native American tribes, just all the supporting documents. But what we have found is that consistently everybody that has used that facility disagrees with the presentation—the icing that the VA has put on their proposal. They did not expect to have to defend it.

In so many other cases—New Orleans was a good example that we found. They just went through the process. Nobody called them on it. We called them on it, and they have been struggling for 2 and a half years to make sense of it.

Ms. NOEM. I wanted to follow up with President Brewer. I wanted you to speak a little bit about the veterans that we have currently living on Pine Ridge. And some of the suggestions by the VA have been that they could receive care through IHS. Now, you know and I know the challenges that IHS faces and how the contract dollars run out so early in the year. But I would like you to go into a little bit more detail about how that is not really feasible to transfer veteran care over to IHS services because of the lack of funds that are there.

Mr. BREWER. You know, the people on the Pine Ridge reservation—they cannot meet the needs of our people. Our people are dying every day. They cannot afford to send them out. They cannot afford to pay their bills. They may transfer them out, and yet that person will be responsible for paying for their bills. And what happens to the people that are sent out? Their credit is ruined and everything else. IHS—they just cannot do it. They cannot meet the needs. They do not have the money. They do not have the facilities. Yet, now they are going to make an MOA to take on the 3,500 veterans just from Pine Ridge on. And with our special needs, they will never meet them.

Kristi, it is not only Pine Ridge, but it is also the other reservations, Rosebud, Cheyenne Eagle Butte. The veterans are going to start dying because they are not going to get any services. They will not be able to do it.

And one of the problems is that the VA does not pay its bills. So if they do send us someplace, we are going to have a difficult time there also.

Ms. NOEM. Thank you. I have run out of time. We will move on.

The CHAIRMAN. Mr. Smith, I would like to recognize you for your questions.

Mr. SMITH. Thank you.

Number one, I appreciate, again, your insight and certainly the remarks shared here today.

Perhaps some of my questions are better suited for our next panel, but I do want to point out also that Senator Fischer and Senator Johanns have also worked on this issue from Nebraska.

I am glad that the facility here does not know a State boundary. I say that as a Representative on another side of the State line. So I say thank you.

But more specifically here, I guess, Mr. Nelson, as a former employee, looking at the big picture here, how do you feel like perhaps a bureaucracy in Washington, DC perhaps unintentionally—there is just a big disconnect there. I co-chair the Rural Veterans Caucus, this effort that we have in the House to focus on the needs that are unique to rural America, rural veterans most specifically. Certainly limiting the services in various facilities or closing or reducing, however anyone wants to call it—how much do you think might be an unintentional disconnect, nonetheless a disconnect, between the bureaucracy in Washington and what is really happening here in middle America?

Mr. NELSON. I am not confident it is an intentional disconnect, other than at the cabinet level position, the Secretary's position. Dr. Petzel came from VISN 23. He came from Minneapolis, Sioux Falls, Sturgis, Hot Springs. He knows the situation out here. What frustrates us in this whole argument and one thing that we have tried to not focus on because it would seem to be pitting us against foreign aid, but the reality is we are—I say "we"—it is tough to move away from 36 years of service out there.

Fort Meade and Hot Springs are part of one system. But in this whole presentation, the VA continues talking about Rapid City and what needs to happen up there. And they should know their own system well enough to know that Fort Meade up around Rapid City and Hot Springs serve geographically different areas of veterans. The veterans that are in the Rapid City area did not historically come to Rapid City for the majority of their care. Prior to the CBOC being placed in Rapid City, they went up to Fort Meade. The veterans that come to Hot Springs have always come from the reservations. They have come from southwestern South Dakota. They have come from northwestern Nebraska, your area, your veterans. They have come from Wyoming.

And in this whole proposal, the VA is willing to sacrifice those veterans who have traditionally used Hot Springs in my opinion. The VA is going to say we are not sacrificing them. We are going to provide them with CBOC's all over the place, and they can go

to private health care. CBOC's are fine. CBOC's are necessary. For a veteran to travel 150 miles, if you can put a CBOC out there for an occasional visit, that is fine. But CBOC's are doctors' offices. They are open 9:00 to 5:00 Monday through Friday, excluding Government holidays. They should not be a feeder system into private health care.

Mr. SMITH. And perhaps not every day either. Right.

Mr. NELSON. CBOC's should not be a feeder system into private health care. Veterans have unique medical conditions that they need to be taken care of that the private health care does not deal with on a daily basis. Folks within the VA system understand how to recognize those things that veterans present with.

So I personally do not think in this particular case that there is a disconnect—there was a disconnect at the Washington bureaucracy level other than with Secretary Shinseki. I personally think Secretary Shinseki is an honorable man. I think he got lousy advice. His people failed him and they knew better.

Mr. SMITH. Thank you.

And perhaps briefly before my time runs out, could you Bob or Pat elaborate on the capacity for Hot Springs to be a mental health care hub? We know that the needs of veterans are changing over time due to various impacts. But can you speak to that?

Mr. NELSON. Pat, would you like to do that?

Mr. RUSSELL. I believe that Hot Springs has the capacity to take back many of the services that have been discontinued. They currently have lots of room in the domiciliary, and staff have even requested in the PTSD program that they create more cohorts so they can get more veterans through the PTSD program. Of course, with that, you are going to need staffing. Perhaps they need more room.

But the problem that I have seen is that the VA, rather than creating administrative offices in the domiciliary and patient care areas—they should be leasing or buying the historical properties in Hot Springs per executive order several years ago that the President said the VA should be utilizing these properties. We have the Carnegie Library. We have several other buildings where they could be moving places like the call center and telehealth off of the hill, creating more rooms for exam rooms or patient care areas. We have the capacity. There is room up there if things were done right.

I feel the biggest problem is in recruitment. We keep hearing from our current administration that nobody wants to live in Hot Springs and they cannot recruit people. All I know is that in 1995 this facility had five surgeons. We had two certified nurse anesthetists. We had a complete staff of doctors. There was no problem getting a professional to live in Hot Springs. But suddenly we hear on the news people from the VA saying that we cannot get anybody who wants to live in Hot Springs. I do not believe that. We have the capacity, and if things are done right, this could be a very viable medical center providing the care that our veterans earned.

Mr. SMITH. Thank you.

The CHAIRMAN. Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

I would like to hear from Mr. Nelson or Mr. Russell or anyone else who wants to comment on this particular question. We were

visiting the dialysis unit at Hot Springs this morning, and again, the patients seemed to be very satisfied. I was very impressed with the unit. Where are these patients going to go if they do not have family? How are they going to travel to Rapid City or other locations? I mean, what is going to happen to these patients? Can you elaborate on that, sir? Why do we not start with Mr. Nelson?

Mr. NELSON. I am not sure how many years ago, but the Hot Springs dialysis unit became the first dialysis unit within the VA system to be able to accept Medicare patients. They did that not to exclude veterans. And I do not know what the capacity is today, but for conversation purposes, let us say that they have a capacity of being able to do 20 patients a day, 20 dialysis patients a day. As long as the need for veterans are under that 20, if there is extra capacity there, 15 veterans need dialysis, then the Hot Springs VA can provide care to five Medicare patients. Unique. It does not happen anywhere else in the country.

So prior to that, those dialysis patients were traveling to Rapid City typically, and when you are on dialysis, one of the things that I experienced when I was up there is that people walk into dialysis or people that see patients walk into dialysis and walk out of dialysis think those people are not very sick. They walked in, they walked out. These people are on the fine edge. If they do not get their dialysis, they are in trouble quick. So they are not in good health. So to ask them to get on the road and travel somewhere else and spend 2 and a half to 3 hours in a dialysis treatment and then go back home when they are whipped anyway, it is a concern we have had all along. We talk about that. Dialysis—it is one of the proud things that Black Hills has hung onto.

But I am not sure where they are going to go, and I do not know what all the resources are. Rapid City is the closest. I think if you would talk with Dr. Birch I believe is the consultant that comes down, I think he will tell you that there is not a lot of extra capacity in this area. And he has always appreciated coming down here. So it is a question that troubles us.

Mr. BILIRAKIS. Mr. Russell, would you like to comment on that?

Mr. RUSSELL. I am thinking in the original proposal, they were talking about establishing a dialysis clinic adjacent to the Fall River Hospital. However, but nobody ever talked to the president of Fall River Hospital about it. I think another thing they mentioned was putting a dialysis unit up at the State home. I do not know if there have been further discussions on that. That is all talk.

All I know is I do not think the veterans are being taken into consideration because the other alternative is them either traveling more often to get their dialysis or having to relocate to Rapid City or someplace that would have dialysis available. It serves a great need because the unused capacity is used for Medicare patients who are not veterans. So it is a good use of VA resources to help recoup some of the costs the VA is expending in maintaining that dialysis unit. I do know that the employees up there are very, very dedicated to what they do, serving not only the veterans but also the Medicare patients that they do see.

Mr. BILIRAKIS. Thank you.

I do not want to take too much time, but Mr. Brewer, can you elaborate? I understand that this is a very exceptional, special PTSD treatment center at Hot Springs, and I am very interested in this issue. What is so unique? Why do veterans travel across country to get to Hot Springs for treatment of PTSD? I want to know myself, but also tell me what is so unique about this and how can we bring even more veterans, expand the services here at Hot Springs with regard to PTSD? Thank you.

Mr. BREWER. I have to say that I have not been through the program yet. Time has not allowed it. My physician has asked me to go to it, tried to get me into it, but I have not had the time yet.

You know, people come from all over the country. I have heard of stories where guys have hitchhiked in here, veterans from back East, hitchhiked to Hot Springs, South Dakota hoping to get into the PTSD program here. It has that reputation of helping and healing people. You cannot cure anyone with PTSD. We know that, but they can give you things that will help you, things to do. And I cannot tell you what they do here, but they do a great job.

And I think it would be nice to visit with some of the staff here because it needs to be expanded. I know there is a number of people that want to come through our program. This program here should be for our veterans nationwide to be able to travel to Hot Springs, South Dakota to get it because it is the best here in Hot Springs.

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

The CHAIRMAN. Thank you very much.

Mr. Nelson, in your testimony, you said overwhelmingly veterans have told Black Hills management that they want the Hot Springs VA to remain open. Tell me what the reaction has been to you and the veterans in this community from the management in regard to your pleas and the information that you have provided to them regarding keeping this facility open.

Mr. NELSON. When I referred to veterans have overwhelmingly told them, that has been over the 2 and a half year span. When the VA first made the announcement, veterans were telling them no, do not do this. They would give their individual stories why that would not happen. That has been consistent from the original announcement in 2011 to today's meeting.

You have seen the turnout that we get when we talk about closing the VA. And what we get from the VA are respectful smiles, nodding of the head, and then going about business as usual. They have done nothing to indicate to us that they have heard the veterans' pleas to keep this facility open. What they did was agree to enter into—Secretary Shinseki said, well, we will do an EIS process. But there is not anything about that process in the way it was presented that leads any of us to believe that there is not a predetermined decision here. What they are doing now they should have done 3 to 4 years ago. It should have been a question. The EIS process is about a Federal agency saying we think we have a problem here. Let us take a look at it and see if we are right and then let the public provide input and arrive at a conclusion. The VA never did that.

As I have stated earlier, they made their decision and they will not honestly tell anybody what is behind that decision because I do

not think they can defend it. They are going to tell you today that we have looked at the numbers and it makes sense to do this.

I provide a lot of data in my written testimony. But I do not think we have gotten through to the VA. That is just another example of why you folks are out here. We are grabbing at straws, anything we can do to try to keep this facility here. I am not convinced the VA still gets it.

The CHAIRMAN. Mr. Secretary, you had said in your testimony that there had been 1,272 different times that people had been transported from the State home. How many patients? Can you break it down to individuals?

Mr. ZIMMERMAN. Yes, sir. We have capacity for 135. We have 52 skilled nursing care rooms and 48 residential. And that 52/48 is what we are building and putting in the new facility. I also have a larger residential capacity in one. But that is just that 135 resident and nursing care capacity. And we as a State veteran home have a level of care, and so when someone has a heart attack, they are brought to the VA, as the VA has levels of care that they have to go out of that facility maybe to the Rapid City regional hospital, and I mentioned some transports of that. But it is the 114 to 120 daily census capacity that does those visits, and that is daily appointments and/or high level of care needed, a patient fall or a nursing care resident in our dementia unit or something and bring him down. So the 1,272 is daily appointments and others.

The CHAIRMAN. So if this facility were to close, where would those residents have to go?

Mr. ZIMMERMAN. I would have to yield to some of the Save VA Committee not to answer but in their answers they have given. It is kind of unsure. I mean, right now it would be the Hot Springs hospital which we take some of our residents' spouses to or Rapid City, minus there being a facility that we can transport them to here in town.

The CHAIRMAN. Mr. Russell, you said in 1995 things were going very well in regard to the number of surgeons and people that were employed. Then all of a sudden, something happened. What happened?

Mr. RUSSELL. There was a shotgun wedding they call a merger, a consolidation of Fort Meade and Hot Springs. 1995 our center director was Daniel Marsh and Fort Meade was a separate facility. And for 2 years, they had been having discussions about collaboration between Hot Springs and Fort Meade about doing certain things to lower the costs, such as if you are going to order supplies, let us make it one big order instead of two separate smaller orders. What can we do to collaborate working with each other? After 2 years, they came out and announced the consolidation, the consolidation of Fort Meade and Hot Springs.

And from that period on, it was not too long after that, the first thing we lost was our laundry services. We had a laundry that was doing not only the work for our facility but we were doing the laundry for Pine Ridge, Ellsworth Air Force Base, Sioux San Hospital up in Rapid City. We were contracting out the services in order to help recoup some of the costs for laundry. That was gone. That was closed up. Everything was moved up to Fort Meade.

And shortly after that, our surgery department became ambulatory surgery only, no more inpatient surgery. And over the last several years, they have gradually eliminated surgeons and programs. And as of last April, the last surgeon to leave was the ophthalmologist who would do the eye surgery, cataract surgery. They would not renew his contract down here. They renewed his contract at Fort Meade, but not in Hot Springs. That was the last surgery we had in Hot Springs.

So 1995, whether it is the cardiac rehab clinic, the radiologists, the pathologists, the histology lab, all these things have been taken out a brick at a time. They realized in 1995 you cannot wreck that facility with a wrecking ball. If you cannot wreck it with a wrecking ball, you take out a brick at a time. Every program is a brick. Every employee is a brick. Pretty soon, the wall is so unstable, it crumbles. That is that they are doing by reducing the programs and services, hoping the wall crumbles and they can close it up.

The CHAIRMAN. We will do a quick second round of questions if the members have them. Kristi, you are recognized.

Ms. NOEM. Pat, at any point in your conversations with the VA, did they indicate to you that they were considering what would be best for our veterans' health care needs?

Mr. RUSSELL. Using their logic, perhaps. But I do not think they are listening to the veterans themselves.

Mr. RUSSELL. The original announcement was made down here on December 12th, 2011, and that week there were meetings in Rapid City and Kyle, Pine Ridge, Chadron, Scottsbluff, Alliance, and overwhelmingly, from the very beginning, veterans were saying we do not want to go to the local community hospital. There was a veteran in Scottsbluff that stood up and said we will not go to that hospital because they will kill us there. I want to go to the Hot Springs VA.

Mr. RUSSELL. And on April 12th, 2012, Representative Noem, Senator Johnson, and Senator Thune were at the American Legion here in Hot Springs, standing room only. People were standing outside the doors on a Thursday morning for a 1-hour meeting. And they expressed their opinions. People talked. Veterans came to the mike, and not one of them advocated closing down our VA.

And we have just completed the scoping meetings for the environmental impact statement, and I attended the ones in Pine Ridge, Chadron, Alliance, and Scottsbluff. Not one veteran advocated closing the VA. Every one of them said keep it open. We want our health care. We do not want to have to drive more.

I do not think they are listening. It is we have made up our mind. We are not going to listen to the data. We have already made up our mind and that is what is very troubling to me is that they are not listening to the veterans. They are not listening to the taxpayers. And by God, I do not think they are listening to our Senators or our Representatives either because they feel——

Mr. RUSSELL. It appears that being a cabinet Department, they are above all of our congressional people that have been elected.

Ms. NOEM. Well, you are right. I came down here. The announcement was made in December. I came here first February 4th, and I told you I would come back with the whole delegation and we did. We came back in April. After they continued down the process of

continuing to follow through with closure of the facility, the delegation together sent a list of questions to the VA and asked them to answer these questions that we specifically were asking of them, cost-benefit analysis, consideration of care for veterans, the facility, the compliance with ADA requirements, a list of questions. It took them 134 days to answer our questions. 134 days. When we finally did get the answer, it was not a clear consensus with their data, what they were using, compared to what your data, what you were using. So I will say absolutely. It has been a very frustrating process.

We did ask the Secretary to come here as well. He did not. When we did finally meet with him, I called his office many, many times. Never once received a return phone call from him. I could pick up the phone, call the Secretary of Agriculture, and he is on the phone 30 seconds later, but the Secretary of the VA—cannot get him to return a phone call. So I will tell you that has been my frustration through the process as well.

But I want you to talk a little bit today so the committee has a full understanding of how they have treated the employees and especially, Pat, I want you to speak about how they offer openings for employment, how they offer temporary openings, not permanent placement, and then how long the openings exist. I was downtown this morning, had a man tell me that he believes one position was only open for 8 hours and closed again, and they said they could not find any applicants. Well, it was only open for 8 hours.

So I would like you to speak to that because I think it shows some of the process where they justify not being able to find somebody to live in Hot Springs, how they conducted that led to the result of not getting people who could fill those positions.

Mr. RUSSELL. Thank you for asking that question because it is somewhat of a game they play. When they talk about not being able to recruit people to work in Hot Springs, they will open up a nursing position and they will open it up as a temporary job not to exceed 2 years. Not many people, especially if they have families, are going to relocate for a temporary position that may not be there in 2 years.

The other example. We had a medical technology position that was open up in the laboratory. The announcement was open for 8 hours and closed. The vacancy is still there. It still has not been filled.

They are creating new position descriptions of jobs. It is inconceivable. They have recently created four positions for medical technologists in the Black Hills Health Care System, but as a requirement for that job, you may be working at Fort Meade one day, you may be working at Hot Springs the following day. You do not know where you are going to work. The travel—I do not know whether that would be on company time or a company car, but part of that would be pulling call in Hot Springs. So if you have a person from Sturgis that accepted the job thinking they are working at Fort Meade and they say you are going to work now in Hot Springs and you are pulling call, where do you stay for call? They do not have anyplace for them to stay. They will have to rent a hotel room. So the requirements they are putting out for these jobs are totally unrealistic.

And besides that, problems I see having employees driving back and forth between Fort Meade and Hot Springs. You are talking about an hour and a half one way, 3 hours for a total day. That is windshield time. You are not behind the bench. You are not producing results. What measurable workload have you done by commuting back and forth? It is a waste of taxpayer money. It is a waste of professional time.

The jobs that are being eliminated—they are telling other employees just work harder—work smarter not harder. We have been hearing that since 1995, and that is why in my statement I said that the people are physically, mentally, and emotionally drained and exhausted because they have been working harder.

The CHAIRMAN. Mr. Smith, any more questions?

Mr. SMITH. Yes.

President Brewer, you mentioned briefly that the VA does not pay its bills. Could you elaborate on that?

Mr. BREWER. I am very concerned that they do not. They do not pay their bills on time. And I am very concerned that if we are sent to a facility and that facility is aware—and they probably are—that the VA does not pay its bills in a timely manner, we are going to be put on the bottom of the list. We are not going to become a priority. So this is a big concern for us.

Mr. SMITH. You mentioned, I think, the population that you represent is about 41,000. How many veterans would you say are in that population?

Mr. BREWER. On our reservation, we estimate we have over 3,500 veterans alone in Pine Ridge. That is not counting Rosebud or Cheyenne Eagle Butte.

Mr. SMITH. Any rough estimate what those other reservations and tribes would——

Mr. BREWER. Less than Pine Ridge. Pine Ridge is the largest. I do not have those figures with me.

Mr. SMITH. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it.

Just one question for Ms. Campbell. In your testimony, you state that the DoD conducted a study released in February of 2013. The report supported the fact that rehabilitation of masonry buildings constructed prior to World War II is more cost-effective as opposed to new construction options. Are you aware of the costs to update the Hot Springs facility? And do they fall in line with this study's conclusions?

Ms. CAMPBELL. Bottom line—we do not know a bottom line figure mainly because the VA has neglected—despite the fact that they have moved forward with their planned decommission, they have not conducted a feasibility study to determine if, indeed, it is feasible to rehabilitate the facility. Based on past projections, based on past estimates, construction estimates and rehabilitation estimates, at the VA, the VA at Hot Springs specifically, I think we tossed around a number of right around $20 million to bring the facility into 100 percent full compliance and a variety of other issues and elements.

The report about the masonry structures, about how easy those are to rehabilitate fall directly in line with reports from the National Trust for Historic Preservation, also from the Tenor report and a variety of others that say that it is 10 times easier and significantly more cost-effective to rehabilitate historic structures, as directed by several Federal regulations, than it is for new construction.

Another cost that we did not talk about that has not been considered is the cost of mothballing a national historic landmark. I believe—and this is data that has been rattling around in my mind for quite a while, but I believe we were looking at a figure of about $128 million over the course of several years it would require to abandon and mothball a national historic landmark. That would be money that would be mandatory and required in conjunction with new construction and staffing and filling those new buildings.

Mr. BILIRAKIS. Thank you very much.

Would anyone else on the panel——

Mr. BILIRAKIS. Can you please elaborate on this issue? Thank you.

Mr. NELSON. Yes. I would just like to add to what Amanda has said. The frustration with this whole thing—and she has referred to the Treanor report. The Treanor report shreds everything that the VA has said about what is not possible with that facility. As she alluded to earlier in one of her comments, the firm that the VA has based their numbers on never even stepped site on the VA here to make the assessment. That company used data that was provided to them by the VA.

Thanks to Representative Noem, Senator Johnson, and Senator Thune pressing Secretary Shinseki about coming to Hot Springs. When he declined to do that, what he did is he said what I am going to do is I am going to instruct the VISN 23 in Black Hills to sit down with Save the VA folks, congressional staff, the veterans service officers—I talked a little bit about that in my written testimony—to figure out where do we disagree. And it became apparent very quickly that, again, the VA was working with their own data that I do not think they understood. So we pressed them to have a historic preservation specialist come in and assess that property. That is the result of the Treanor report.

And what he talks about in there is that until the VA comes out with how they would redesign the buildings there, what they would want, what kind of medical facilities, it is very tough to come up with an estimate of what it is going to take to do it.

So for us, it is just another example of if the VA was sincere in wanting to honestly look at this and see if they had made the right decision, they would not have resisted coming up with alternate plans. They should have gone back to an architect and said, okay, here is how we think it would look if we do not abandon the facility. Just another example of that is not the direction they want to go, so that is not what they are going to do. They want out of Hot Springs.

Mr. BILIRAKIS. Thank you so much. Appreciate it.

The CHAIRMAN. Thank you, Mr. Bilirakis.

Mr. President, it has been said a couple of times that there is a zero number for veterans on Pine Ridge, that VA does not include

those numbers. Could you explain to me if there are no veterans on Pine Ridge, why you just opened a veterans cemetery there in July?

[Laughter and applause.]

Mr. BREWER. We have a very beautiful cemetery now, and I would like to thank the Veterans Administration for that. I would like to invite all of you to come see it sometime. It is very beautiful.

But, yes, a good question. And if they close up Hot Springs, we will probably be filling it up pretty fast too.

[Applause.]

The CHAIRMAN. Mr. President, Kristi will tell you that that was one of the places that I desperately wanted to visit while I was here, and unfortunately, time will not allow it. But after landing in Rapid City—and I am not going to stay in Rapid City anymore. I am going to come and spend the night in Hot Springs. All right?

[Applause.]

The CHAIRMAN. I love old hotels and look forward to coming back.

But let me also say, Ms. Campbell, your $20 million number may be right, may not be right. We do not know. But it is the only number that we have to deal with. And I just would make this closing comment to you.

We are spending $60 million to restore the dome on the United States Capitol Building. Now, it needs to be done. It really does. It needs to be done. But it is a historic landmark. And so is this facility.

[Applause.]

The CHAIRMAN. In the bill that was signed by the President last week that was passed jointly by the House and the Senate in the conference committee, we appropriated $5 billion, with a B, and within that $5 billion, there is an allocation for minor construction and also delayed care on facilities. So there is money that is now available for VA, should they choose to use it. The fact that they will say that there is no money does not hold water because it is available.

I just want to say thank you. I wish we had a little more time for another round of questions, but we have a second round of panelists that have come here to speak today. I just want to say from the bottom of my heart thank you for fighting so hard to save not only the history of this town, but some of the history of the United States of America. We appreciate your fight. Thank you.

[Applause.]

The CHAIRMAN. And with that, we will excuse the first panel and say thank you very much for being here.

We will call the second panel to come forward.

And I want to ask a favor of everybody, if you would. Everybody in this room that wore the uniform of this country wore it to allow other people to speak, even when you may disagree with what they have to say. So I would beg your indulgence as to the two gentlemen that are here today speak. We are here to get information from them. We will continue to press for answers to questions that have not been answered. But again, I would ask that you treat them with the same respect that you treated the first panel be-

cause they are here representing the Department of Veterans Affairs.

So, again, joining us from the Department is Dr. Steven Julius, Acting Network Director and Chief Medical Officer for Veterans Integrated Service Network 23. He is accompanied by Stephen DiStasio, Director of the VA Black Hills Health Care System. I appreciate them being here today.

Dr. Julius, you are recognized for your opening statement. Thank you, sir.

STATEMENT OF STEVEN JULIUS

Dr. JULIUS. Thank you, Chairman Miller. Good morning—or I guess in a couple minutes it is good afternoon—Chairman Miller, Congressman Bilirakis, Congressman Smith, and Congresswoman Noem. Thank you for the opportunity to discuss the VA Black Hills Health Care System's commitment to providing veterans high quality, patient-centered care and to address rural health care and access to care.

I am accompanied today by Mr. Stephen DiStasio, Director of the VA Black Hills Health Care System.

VA Black Hills provides primary and specialty medicine, extended care and rehabilitation services, surgical and mental health services, as well as residential rehabilitation treatment programs. VA Black Hills consists of two medical centers located at Hot Springs and Fort Meade, South Dakota, and VA-staffed community-based outpatient clinics located in Rapid City and Pine Ridge, South Dakota and Newcastle, Wyoming. In addition, six contract CBOC's are located in South Dakota and two are located in Nebraska.

In fiscal year 2013, there were approximately 35,000 total veterans within the VA Black Hills service area. Of the approximately 35,000, approximately 21,000 were enrolled for health care services, and 19,207 of the enrolled unique veterans were served. This reflects an enrolled penetration rate of 60 percent in fiscal year 2013, one of the highest in VHA.

The Hot Springs and Fort Meade campuses are particularly noteworthy as sites of historical significance. Hot Springs is the Battle Mountain Sanitarium National Historic Landmark with a proud history of caring for veterans extending back to the early 1900's. The Fort Meade cavalry post is known for its substantial military presence, extending back to the 1880's. We understand the significance of these sites and we appreciate the rich history they bring to the community.

Maintaining and improving the aging buildings, ranging from 40 to over 100 years old, significantly increases the cost of operation at both facilities. Existing operating rooms at both hospitals are reaching 40 years of age. The current residential rehabilitation treatment program building at Hot Springs is over 100 years old, and the structure is not compliant with the Architectural Barriers Act. For these and other reasons, VA Black Hills has the highest costs per unique patient of all VISN 23 facilities and one of the highest in all of VHA.

VA Black Hills is committed to meeting veterans' needs in western South Dakota, Nebraska, Wyoming, and North Dakota. We

have conducted a review of the services provided and the Department has determined that improvements and reconfigurations to VA Black Hills operations are needed to maintain the safety and quality of care it provides. We believe this will increase the scope of services available to veterans closer to their homes while being good stewards of public funds.

VHA is concerned about its ability to preserve the quality and safety of care at Hot Springs, given that the volume of inpatient activity is so low. In these circumstances, it is difficult to recruit and retain skilled providers, as well as maintain their competencies. Surgical procedures at Hot Springs have been curtailed due to an inability to recruit and retain surgeons and anesthesia providers. In addition, all of the hospitalists and after-hours physicians are temporary staff hired on contract to fill staffing needs.

The most significant changes proposed by the Department involve replacing the current medical center in Hot Springs with a new community-based outpatient clinic and relocating the residential rehabilitation treatment program to Rapid City, South Dakota. The overall goal of the reconfiguration is to realign services and resources to provide safe, high quality, accessible, and cost-effective care closer to where veterans live.

To be transparent and make optimal decisions regarding veteran care, VA has openly shared access and quality data with stakeholders. VA Black Hills sites of care are insufficient to provide ready access to care to all veterans within the large, highly rural service area. The limited availability of specialists is also a barrier, requiring some veterans to travel to VA sites in Minneapolis or Omaha for needed specialty care. The recruitment and retention of physicians, nurses, and other health care providers has also been difficult with physician specialists particularly problematic.

VA Black Hills has addressed these challenges by expanding the use of non-VA care to provide access to services locally and shorten waiting times. Major benefits for veterans and their families have been the reduction of travel to VA tertiary care sites and of out-of-pocket travel expenses, as well as the opportunity to be close to home and receiving medical care. VA Black Hills has also steadily increased the utilization of telehealth services. Through the end of fiscal year 2014's third quarter, over 1,100 clinical video telehealth encounters have been completed.

In conclusion, the VA Black Hills Health Care System, in conjunction with health care providers throughout its service area, is committed to providing high quality care and services for our veterans. Our location in a highly rural landscape presents VA with some challenges, the most significant of which is the ability to recruit and retain highly skilled physicians and nurses. Despite these challenges, we continue to focus on improving veterans' access to care.

We sincerely appreciate the opportunity today to appear before this distinguished panel to share with you the great service that the VA Black Hills Health Care System provides to our Nation's heroes every day.

We are pleased to respond to any questions or comments you may have.

[THE PREPARED STATEMENT OF DR. JULIUS APPEARS IN THE APPENDIX]

The CHAIRMAN. Thank you very much, Doctor.

Kristi, you are recognized for opening questions.

Ms. NOEM. You spoke specifically just now about the Hot Springs facility being the highest cost operating facility within VISN 23. Is that correct?

Dr. JULIUS. That is correct.

Ms. NOEM. Can tell me how you evaluated that cost?

Dr. JULIUS. Well, it has to do with the total cost per unique patient.

Ms. NOEM. Per patient. Okay. Just hold on there 1 second.

So when you remove services, do you remove the ability to service patients? If you are offering less services at a facility, these patients then have to go to other facilities to get treatment if they needed service. Is that correct?

Dr. JULIUS. That is correct.

Ms. NOEM. So after you have removed services the past several years, when did you evaluate the cost of running the facility and the number of patients that are served? What date did you run the cost of that?

Dr. JULIUS. The high cost per patient for VA Black Hills as an entire system——

Ms. NOEM. Well, I am concerned specifically about how you evaluated that the Hot Springs facility was the highest cost operating facility within VISN 23.

Dr. JULIUS. If I said that, that was incorrect. The VA Black Hills Health Care System——

Ms. NOEM. As a whole is the highest cost.

Dr. JULIUS. As a whole.

Ms. NOEM. So you are not laying the blame on the Hot Springs facility, that this facility for some reason is the anchor that is dragging down the rest of the system?

Dr. JULIUS. No. There are challenges in a highly rural environment for all VA healthcare. So Fort Meade shares some of that as well.

Ms. NOEM. Thank you for that clarification. That is what I was concerned about is that you were evaluating the cost based on per patient served at the facility, which I do not think is a fair assessment considering the services that have been removed from there. Obviously, patients are going to have to go get treated somewhere else, and it would obviously increase the cost per patient served.

Other questions that I have for you is tell me why you do not offer permanent positions to employees at the Hot Springs facility. You said in your statement that you were offering temporary ones. Why do you not open it up for permanent positions?

Dr. JULIUS. I am not aware of that. I would refer that to Mr. DiStasio. I am not aware that I mentioned in the statement——

Ms. NOEM. Well, you talked about people that were employed at Hot Springs and that there were some temporary positions that were employed at a certain time. It was in your statement. I could look it up for you too, if you do not remember.

[Applause.]

Ms. NOEM But you talked about——

Dr. JULIUS. No. I think——

Ms. NOEM [continuing]. Temporary positions. Tell me about your hiring processes. Maybe that would be—for over the last 5 years your hiring processes.

Dr. JULIUS. To answer your question specifically, we were talking about the after-hours physicians, locum tenens providers. VA Black Hills for a long time has been attempting to recruit permanent positions for those people, the hospitalists that we have in the hospital, the people who are there after hours. Due to an inability to do that, we have had to rely on what are called locum tenens physicians, or contracted physicians, temporary physicians, that are hired and come in for the weekend or for a week to cover the hospital.

Ms. NOEM. So tell me what your ideal hiring process would look like. How do you traditionally—if you were to fill positions, how long would the job position be open? How would you advertise? So that everybody is aware what the normal process is.

Dr. JULIUS. Well, typically we would post an opening saying that we have an opening for a hospitalist, for a critical care physician, for a surgeon. We would publish it in various places in which doctors view that. It would be open. We would be asking for resumes. People would submit them. We would look at them. We would interview them if we felt it was appropriate and hire them as permanent staff. That would be the ideal goal, and that is what we have tried to do all along. That leads to a stable medical staff in which you can be assured of the quality of the care that you are getting rather than the situation where you have new doctors coming in all the time, which also may be qualified but you do not know.

Ms. NOEM. And you followed that process here in Hot Springs at this facility within the last several years. You have gone through that entire process you just laid out.

Dr. JULIUS. As far as I know we have. I will defer to Mr. DiStasio if he knows differently.

Ms. NOEM. There is some discrepancy in that. We have had Save the VA Committee members that have come to us and told us it has been very different. So I would love to have you, Mr. DiStasio, talk a little bit about the hiring processes and tell me if you disagree with them. Do you disagree with them in what has happened here at Hot Springs in how vacant positions have been filled and if permanent positions have been offered?

Mr. DISTASIO. Just to add to Dr. Julius' comment about providers, he described very accurately what we call a continuous and open announcement for physicians, and that is across the entire system. And the fact that we are using locum tenens is a commitment to keep the services open.

There are, indeed, within the system some positions that are advertised as permanent and some that are temporary. We make management decisions every day about how are we going to structure the workforce, where do we need in fact temporary help because we perhaps have an employee who is out for an extended illness, if you will.

I did listen carefully, as there were some descriptions and I believe you used the example of 8 days or 8 hours. I encourage people

to bring those to my personal attention, and if they bring it to yours, please share it with me. I would like to understand——

Ms. NOEM. Well, I heard it this morning and that is why I brought it to you today at the hearing.

Mr. DISTASIO. I cannot say that is true in my system. I would share that we have about 140 positions at any time in some sort of phase of recruitment. We share that with our union partners so that they see the same information. And it is a way of making a partnership because we are all responsible for recruiting.

Ms. NOEM. Has a permanent position been offered at this facility in the last 2 years?

Mr. DISTASIO. Yes, ma'am.

Ms. NOEM. All right. I am out of time. I will have more questions later.

The CHAIRMAN. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

And to our panel, I realize you are probably messengers here today. I imagine you might find parts of your job frustrating. But we are at a position here that I know has frustrated many. Can you tell me, as briefly as you can, what kind of veteran input you gathered from affected veterans that would lead to the December 2012 decision?

Dr. JULIUS. The input that we got was—it was not a decision. It was basically a proposal. Obviously, administrators within VA, hospital administrators we have are always looking at the future and need to do due diligence as far as planning, planning for changes as far as the demographics, planning for changes in availability of services, those things. And so as part of this ongoing process then, the initial suggested proposal came out in December of 2011.

We were instructed by the Secretary at the time, after it had already been discussed with the Secretary, that we needed to and wanted to—and we did—held multiple town hall meetings which were discussed earlier by the earlier panel all over the area, starting in Hot Springs and going to Rapid City and going to various places. The purpose of those town hall meetings was to get the very thing that you are saying, to say this is what VA is thinking. These are the problems that we anticipate in the future that we are going to have in order to ensure that you have reliable healthcare. This is what we are proposing. This is what we have heard. We can see that people have to travel a long ways for care. Perhaps this is a better solution that we could purchase care.

Anyway, we presented it. Steve and I went around to—and the network director, Jan Murphy, went around to all of these various town halls in the different States, presented the proposal and asked for feedback. And we got a lot of feedback, as people have mentioned before. Most of it was negative but not all of it.

Mr. SMITH. And I think you can appreciate the dynamics in play here today.

Now, you mentioned that it is difficult to recruit medical professionals. I would say that is not unique to any town, large city in America. There are various challenges. I will not get into some of the other healthcare distractions we have at the Federal level these days. But I will say at least my sense of it is there has been a question about VA commitment to this facility for some years now, even

prior to December 2012. And so was that taken into account in terms of evaluating the difficulty of recruiting various professionals, providers?

Dr. JULIUS. I missed your question. The fact that there appeared to lack of support for——

Mr. SMITH. Lack of commitment to the facility by the VA in general. I mean, there is a list here of discontinued clinical services beginning in 1996. Now, was that ever taken into account in terms of—I do not want to get ahead of myself here. But I would think if there were a decision made by the VA that would outline the commitment that the VA would make to this facility, if that were definitively announced, would it not lead to perhaps a better position to recruiting professionals?

Dr. JULIUS. Oh, I think absolutely.

Dr. JULIUS. I would comment, yes, I think absolutely. I think the uncertainty and the lengthy uncertainty of the process that has gone on now for this many years without a decision has definitely adversely affected our ability to recruit to Hot Springs. If you are a young professional and realize that the situation that you are coming to might change in the future, you are going to be more reluctant. So I would agree.

Mr. SMITH. Now, in terms of reimbursement, we heard concerns about delayed reimbursement to non-VA facilities. Would you say that that is a concern?

Dr. JULIUS. I am not aware that it is. I certainly trust what President Brewer was saying. We track that now. That has been a problem in VA that has been an irritant to the former Secretary about why VA does not pay its bills, and so we have been tracking payment for non-VA care. We want to get 90 percent of it paid within 30 days. Black Hills Health Care System, the last time that I checked, was paying 89 and a certain percentage, so almost 90 percent within the required goal of 30 days.

Mr. SMITH. Let us talk about reimbursement—oh, my time has expired.

The CHAIRMAN. We will come back.

Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

Dr. Julius, what are the current primary specialty and healthcare wait times for, let us say, mental healthcare as well, wait times for veterans within the VA Black Hills Health Care System service area? Currently.

Dr. JULIUS. I would like to allow Mr. DiStasio to answer for his facility.

Mr. DISTASIO. Thank you for the question.

For actual wait times—and this is to completion of appointment—in primary care in June, which is the last released data that we have, it is about 17 days for a new patient—excuse me—primary care patient. For an established primary care patient, it is about 3 days.

Mr. BILIRAKIS. Can you say that again?

Mr. DISTASIO. I'd be glad to repeat that. Thank you.

For a new primary care patient, it is about 17 days.

The CHAIRMAN. Will the gentleman yield?

Mr. BILIRAKIS. Yes.

The CHAIRMAN. I heard this for the first time in Roswell, New Mexico last weekend that there is a new metric now that VA is using. It is called prospective primary care patient. Why did you change the measurement? All we want to know is how long does it take a patient to receive an appointment and get their primary care taken care of. After all of this stuff that hit the fan, somebody somewhere has come up with a new metric to measure by. Why?

Wait, wait, wait, wait.

The CHAIRMAN. And I promise you that it did not come from the Black Hills Health Care System. It came down from the mountain in Washington. Why?

Mr. DISTASIO. You know, in my experience as a healthcare leader, one of the things a bureaucracy can do is try to standardize the operational definitions of the data they use so that you can make, if you will, apples-to-apples comparisons between facilities.

What I have in front of me is the objective data for the time it actually takes us to complete an appointment in primary care, specialty care, and mental health for new and established patients.

The CHAIRMAN. All right. Established patients. What is that number? What is that number?

Mr. DISTASIO. The number for primary care is about 3 days.

The CHAIRMAN. All right. Ladies and gentlemen, turn around and watch this. Anybody in here get your primary care appointment within 3 days?

[Chorus of noes.]

The CHAIRMAN. One hand. One hand. I just do not get it. Your numbers still do not add up. I yield back.

Mr. BILIRAKIS. I will go ahead and take the next question in the second round. I will yield to Ms. Noem or the chairman.

The CHAIRMAN. You are yielding to me.

Mr. BILIRAKIS. Sounds good.

The CHAIRMAN. All right. Thank you.

Mr. BILIRAKIS. Since you are the chairman.

The CHAIRMAN. Dr. Julius, Kristi asked about the discrepancy in cost of unique patients within the system. If you know that number for the system, certainly you know the number for Fort Meade and you know the number for Hot Springs. So what is the cost for a unique at Hot Springs and the number at Fort Meade?

Dr. JULIUS. I am sorry, Mr. Chairman. I do not have that information with me. We will be glad to take that for the record. I do not have it broken out because it is an integrated healthcare system. Now, we can talk to our CFO, and I am sure we can come up with something close to what you are asking for. But the two systems do not operate entirely independently. So there are things that are shared costs and those things.

The CHAIRMAN. This is not unique to this health system because when we asked Dr. Lynch in a hearing in Washington what it costs to see a patient at VA, they have no idea. None. It is beyond me. If you go into the private sector, I guarantee you every CFO or CEO will tell you to the penny what it costs to see a patient. And yet, you have known for quite some time that we were going to come and have this hearing and that one of the biggest questions was going to be how much it costs to see a patient at this facility. And you do not have the answer. So for the record, if you would,

please get that number to us as soon as possible. When I say as soon as possible, a week is sufficient, not the 2 years.

The CHAIRMAN. How much of the $35 million that is estimated to be spent on non-VA care in this region—I guess that is the number that you are talking about—will be allocated to the PC3 program?

Mr. DISTASIO. Very little of those funds will go to PC3.

The CHAIRMAN. And the reason is?

Mr. DISTASIO. Still a developing market. Our landscape here in the Black Hills is that the contractors or the providers that PC3 is approaching are the same ones, if you will, that we use already as part of our non-VA care network. So it is fair to say there is not a lot of competition in this market, and I am sure their conversations are ongoing about trying to establish a robust PC3 contract.

The CHAIRMAN. So can you tell me how many? You said not much. But can you tell me how many authorizations have been issued through PC3? Close. It does not have to be exact.

Mr. DISTASIO. No. I would never estimate for you, but I am glad to come back with a better number in the near future.

The CHAIRMAN. You did not give me any number.

Mr. DISTASIO. No number.

The CHAIRMAN. Okay. I was going to say do not come back with a better one. Come back with a number.

Mr. DISTASIO. A number.

The CHAIRMAN. The accuracy of the data that VA has used to support closing the Hot Springs campus has been called into question. You heard that this morning. Could you respond to some of those numbers and the criticism that you heard this morning? Because I think it is important. We heard them. We need to hear what your numbers are. So, Mr. DiStasio or Dr. Julius, either one.

Mr. DISTASIO. I think we always have an opportunity to check with each other when you have two parties that, if you will, have numbers that, if you will, differ. One of the things that is striking about the data we collect is that we have to make sure that we are both looking at the same site and the same currency date and the same operational definition for the numbers.

I know there has been a lot of dialogue about the cost of renovation. When we in VA estimated what it would cost to rework the Dom, we had to make sure that we were fully compliant with various laws and access. We wanted to have a model of care that was better for our veterans. And we were required to show that those costs—what they extrapolated over 30 years of operation. So our number was much beyond just the renovation portion of it, if you will.

You know, I do agree with Save the VA's point, though. That is a grand old building. It is not going to blow down. It is not going to fall down. It is not going to flood. But in my estimation, it is not appropriate for healthcare services for the next generation of veterans. Thank you.

The CHAIRMAN. Wait, wait, wait. Come on, everybody.

What is it appropriately ready for?

Mr. DISTASIO. My largest concern about the Dom is, of course, the setting for our veterans, the privacy that they have or do not have, restroom access, those sorts of things.

I think there could be some alternative uses for that building that would help bring better things for the community and VA. We are currently conducting an alternative use study, which gives us the ability to begin looking nationwide and seeing what opportunities could be available.

I hope you are aware we received last week a proposal under the environmental impact statement process from an Iowa group that in fact prepared a rather lengthy prospectus on another possible use for some of those buildings at least.

The CHAIRMAN. Ms. Noem?

Ms. NOEM. Dr. Julius, how many veterans do you say you service on Pine Ridge? Or how many veterans do you say are there that the VA actually counts?

Dr. JULIUS. We have it and I am looking right now.

The CHAIRMAN. Pause the clock for a minute while they are looking it up so Ms. Noem does not lose her time.

Mr. DISTASIO. So I have some data in front of me that was prepared in May of 2013 trying to get to the root of this. And we used a number of different sources. Let me just run through them very quickly.

Ms. NOEM. What do you use when you are evaluating whether to keep this facility open or not? I just want that number. What number do you say that you have on Pine Ridge that would use this facility?

Mr. DISTASIO. Our records show that we serve 1,370 Native Americans.

Ms. NOEM. 1,370.

Mr. DISTASIO. But there is a caveat. The Native American veterans are not required in our system to identify themselves as such. So there could be more.

Ms. NOEM. But I will tell you that I have been going through this for the last 2 and a half years with the Hot Springs community and with you, and the entire time the Pine Ridge reservation and the Oglala Tribe have told us that they believe they have 3,500 veterans. Tell me what you have done to try to reconcile the numbers so that you can identify the veterans that they have and reconcile the numbers and come to some kind of conclusion on how many veterans really are represented by that tribe.

Mr. DISTASIO. Thank you for the question.

My personal effort has been to communicate with Chairman Brewer on a personal level and a letter to his office describing if you have more veterans, names, lists, whatever, we would gladly take a copy. We have also done that with our county veterans service officers and our tribal veterans service officers. We are also waiting to see what happens with Secretary Zimmerman's Reach All Veterans initiative, which I think will be an important part of——

Ms. NOEM. So have you come closer together in number? Have you reconciled after you wrote these letters? I know there was ongoing dialogue over the past 2 and a half years. Have you come closer together at agreement on how many veterans are actually served? What number are you currently using to evaluate how many are serviced by this facility?

Mr. DISTASIO. The 1,370 number is——

Ms. NOEM. You have not moved off your number at all.

Mr. DISTASIO. That is the best number we have to date.

Ms. NOEM. Does the sole responsibility of counting those veterans on Pine Ridge rest on them and not on you?

Mr. DISTASIO. It does not. We took another few steps and we went to the Census facts and then we went to the National Center for Veterans Analysis. They gave us a number of the vet population of about 2,435.

Ms. NOEM. So that might be a good number to use.

Mr. DISTASIO. It may be. Again, the caveat was these were for veterans who resided in the counties that encompassed the reservations and they include known non-Native American veterans. But if we use that range of 1,370 to 2,400, we hope we have got the best math possible at this moment.

Ms. NOEM. Did you do any kind of outreach to the tribe or go down there and try to register veterans? You did?

Mr. DISTASIO. We did.

Ms. NOEM. You had meetings down there and invited all the veterans to come in and get signed up for care through the VA facility?

Mr. DISTASIO. That is correct.

Ms. NOEM. How many veterans did you gain during that process? Because you are using the same number that you used 2 and a half years ago. Are you saying a single veteran did not show up and say, hey, you were not counting me before?

Mr. DISTASIO. Well, I personally have been down there a few times each year over the last 5 or 6 years, and in my personal observations, we have enrolled one or two at each event. There could be others of similar numbers at other events, but I can capture that data for you and bring it back.

Ms. NOEM. That would be great.

Dr. Julius, I would like you to speak to the recent audit. In late July, the VA released the results of their internal audit for all of the VISN's in the country. Out of the all the hospitals within VISN 23, Black Hills Health Care System had the worst results. Rapid City staff was instructed to not use the electronic wait list required by the VA for scheduling. The staff was also instructed to manipulate data throughout the Black Hills Health Care System. This is an audit that was done internally by the VA. I would like you to speak to that audit and tell me how those results impact you personally and what you are doing to change the delivery of healthcare to veterans in this area and how closing down the Hot Springs facility will help you better serve the veterans within your system.

Dr. JULIUS. Congresswoman Noem, thank you for the question.

Concerning the audit results, yes. I mean, this was obviously a crisis for VHA when the news from the Phoenix VA came out and the Secretary then tasked senior leadership to audit the scheduling practices at all of the 128 medical centers and all CBOC's more than 10,000 veterans. And I was a part of that group. I went to another VISN. I took part in these very audits.

What I would say is obviously if we get any scheduler that says they felt that they were instructed to manipulate the data, that is unacceptable. And from the data, like I said, we tried to meet with

maybe 10 schedulers. And so it is often difficult to tell. If one scheduler said that they were feeling they were encouraged to do that, we would put it down. And that would be a certain percentage that had answered yes to that question. I do not know how pervasive that is. But like I said, anytime any one of our scheduling people are feeling that they have been instructed, implied or overtly, to manipulate the scheduling package, that is unacceptable.

As a result of that, then we have also been instructed—so me as the acting network director, Steve as a center director, we have been meeting regularly with the schedulers at all sites of care and having this very discussion and saying, you know, this is a crisis for VHA. We have been accused of losing our integrity. We have to earn our credibility back. We cannot earn it back if we are having stuff like this going on. And I realize these schedulers are the front line folks, but we as senior leaders need to be giving them the message that, no, you know, the wait times are the wait times. Whatever they are you are putting in. The desired date is what the veteran says. And we do not want anybody to feel that they are in any pressure to do something that they——

Ms. NOEM. So who has been fired?

Dr. JULIUS. I am not sure we have anybody that needs to be fired for that within the VA Black Hills or VISN 23.

Ms. NOEM. So you do not trust what your schedulers have told you. That is the discrepancy that we have is this is an internal audit done by the VA, and your schedulers felt they were told to manipulate data, that they were instructed by staff to not use the electronic wait list. We had a discussion earlier here about your wait list, that the veterans largely in the room did not agree with the waiting times. So we do have a problem here in the Black Hills Health Care System, which our veterans are certainly paying the consequences. I want to know if there have been any actions taken within the healthcare system in the Black Hills in regards to this audit.

Dr. JULIUS. Well, plenty of actions of what I just said. No personnel actions that I am aware of because, again, these were comments that we solicited from schedulers without attribution. We wanted them to be as candid as they could possibly be. It was also instructed we are not trying to get anybody in trouble. We want to know what is actually going on. And so in trying to create an environment of psychological safety, they answered candidly about the way that they felt things were going. Now we are going back and saying—I think in the data you have to interpret it again that not all schedulers said that.

Ms. NOEM. No. I agree. I do not believe every scheduler said that. But I would like to know what changes you are implementing. As a leader, as a manager, as a director of this healthcare system, I want to know how you personally are taking action to make sure this does not happen again and that our veterans are not having long wait times.

Dr. JULIUS. Well, one of the first things I think that nationally they realized that contributed to this was our performance metric of—performance goal of getting people in within 14 days of their desired date. That was a good stretch goal. That was a good aspira-

tional goal. That is something that we strive to do. All of us would like to have an appointment as near our desired date as possible. But I think when that goal was put into place, it was an unrealistic goal and we did not have the infrastructure as a system to actually meet that. But then it went from an aspirational goal into a performance measure where all of a sudden it was put into people's annual performance plans. And I think the unintended consequence of that is that was then viewed as a stringent, more serious thing. I am going to be judged whether my performance this year was satisfactory.

And for whatever reason—like I said, I do not believe any of our senior leaders are telling schedulers to cheat, to change the data, but somewhere in the system, in mid-managers or somewhere, they were hearing the message or it was implied that we need to meet this metric, and they did the things that they should not have done.

So the Secretary immediately ordered that any reference in anybody's performance plan to a 14-day metric be removed. They have all been removed. The other things that we have talked about is, like I said, that facility directors now will meet with schedulers at all sites of care every 30 days and have listening sessions to discuss what their life is like, what are they hearing, what are the barriers, what are their challenges. Then the VISN director is instructed to every 90 days visit every medical center and do the same thing, meet with the schedulers representing the VISN now and again reiterating our core values and that we do not want this behavior in VHA. We cannot have it. And like I said, we are rightfully accused of having lost our integrity, and we now need to spend time earning that back.

The CHAIRMAN. Mr. Smith.

Mr. SMITH. Thank you.

Let us discuss reimbursement levels if indeed it would come to the point where other entities outside the VA would be reimbursed for the care of veterans. Has that reimbursement schedule been established?

Dr. JULIUS. On the new veterans' access act you mean?

Mr. SMITH. Well, on the premise that there would be veterans cared for outside the VA system, has a reimbursement level plan been established?

Dr. JULIUS. I am obviously not an expert in the intricacies of the new law that was passed. It was my understanding that the reimbursement rate would be at Medicare rates, but if needed, higher rates could be negotiated locally if that were necessary to obtain care.

Mr. SMITH. Because we have veterans who would come from Scottsbluff, for example. We have veterans who would come from Gordon, who would come from Chadron, who would come from Alliance, among other places. So we have got critical access hospitals in some of these communities, not all of them, but critical access hospitals that have a level of reimbursement. Would that level of reimbursement be similar? Would it be the same? Could you guarantee that? Has there been any groundwork done to establish those reimbursement levels?

Dr. JULIUS. To that specific question, I guess I cannot answer that. Steve, do you have any additional information?

Mr. DISTASIO. Thank you, Congressman Smith.

We have had some preliminary discussions with them about their approachability about taking care of veterans. We are well aware of the reimbursement rates for critical access hospitals. But at this point in the process, it is really premature for us to enter into any contracts, but at the point that would be done, I think that conversation is possible, what will be the rate for what services that are provided.

Mr. SMITH. And I can appreciate that.

And I actually misspoke earlier when I said December 2012. It is actually December 2011, as many in the room full well are familiar with that.

Now, it would seem to me that as major of a decision as it would be—the proposal—and I hope that the VA will abandon its proposal to reduce its services in Hot Springs. And this is not about saving an historic building. I love old buildings. I love old architecture. And I think we have a very unique situation here, though, where we have got, yes, an historic location with a very unique mission, and I hope that we can combine those missions because I happen to think that if there is a will, there is a way to get this done. And I think it can be done without adding a greater burden on rural veterans who already travel a good ways to get to Hot Springs. It is even further, we know, to Rapid City or Fort Meade.

So I think it is vital that we enter the decision with eyes wide open in terms of what reimbursement levels are. I struggle to think that the 3 years has not been enough time to investigate what reimbursement levels would be. We have heard that there are delays in payments. That has been a consistent concern within the VA over time. I am frustrated as someone who has voted to continually increase funding to the VA, and we hear about various situations throughout public policy where agencies are expected to do more with less, and yet, we have significantly increased the funding and again a few weeks ago. And I would hope that the funds could be utilized to maintain the mission and objective in Hot Springs.

Thank you.

The CHAIRMAN. Mr. Bilirakis.

Mr. BILIRAKIS. Thank you. That applause was not for me.

We have increased the funding by 40 percent in the last few years, and then we have given another $5 billion for additional healthcare providers.

I am going to get back to the building for Dr. Julius. In your testimony, you state that the current residential rehabilitation treatment program—the building at Hot Springs is not compliant with the Architectural Barriers Act. Can you elaborate on which section of the act that the building is violating and how long has it been in violation?

Dr. JULIUS. No. I am sorry I do not have the particulars as far as——

[Laughter.]

Dr. JULIUS [continuing]. What is involved with the Architectural Barriers Act. We had talked previously about the Americans with Disabilities Act, but I was informed by my highers-up in VACO

that Federal buildings are not subject to that, but we are subject to the Architectural Barriers Act.

Mr. BILIRAKIS. Excuse me, sir. I do not want to interrupt. But I do want to state that you are aware that there is a violation or a couple violations. This is what was stated by the VA. Are you not?

Dr. JULIUS. That is my understanding, yes.

Mr. BILIRAKIS. Now, have any of these violations—have any steps been taken to correct these violations, if there are violations?

Dr. JULIUS. Well, again, without knowing exactly what was going on—I mean, certainly some things are. You know, the ramps that we talked about—typically they are too steep. And so we have made some corrections as you saw this morning. And elevators have been installed to mitigate some of the deficiencies of the building. But what specific parts of the act are in violation I cannot answer it accurately.

Mr. BILIRAKIS. Mr. DiStasio, please.

Mr. DISTASIO. No, sir. I am unable to cite a specific chapter. But our folks in construction and facility management at VACO who have looked at the building and helped us clarify what standards we are required to meet by law consistently point out emergency exits and the angle of the ramps that you saw this morning.

Mr. BILIRAKIS. Do you not think it would be more efficient, less costly to actually take care of any of these violations, bring them up to code, if there are any, than the reconfiguration plan proposed by the VA?

Mr. DISTASIO. I think this is a key point that needs ongoing discussion is which is the most viable cost, renovation or new construction. And of course, I am including operating costs over a number of years.

We also have to look at something bigger than the Americans Barriers Act. We have to look at whether or not the veterans can have privacy, can they have a private bathroom versus a communal bathroom down the hall.

Mr. BILIRAKIS. Well, the thing is that you guys are pleased with this building, are you not? Are you pleased with the services?

Mr. BILIRAKIS. I mean, that is what should matter. In my opinion, Washington should not be making these decisions. Our veterans should be making these decisions.

Well, thank you very much. I yield back. Thank you.

The CHAIRMAN. If you would excuse me, sir. Thank you very much for your service. Thank you for your service.

If you would, tell me exactly how stakeholder and congressional delegation feedback has been incorporated in your proposal.

Mr. DISTASIO. Through the initial hearing period that occurred in late 2011 and 2012, we took comments from almost 3,000 people, as I recall, and we took it in emails and letters. We handed out comment cards. All of that was collected and then summarized.

In our ongoing conversations with VA central office, we shared what we were hearing in terms of thematics. And it is accurate to say that the very largest majority of people were saying do not do this.

Nonetheless, my concern has always been about conserving quality and safety of care. And so we have discussed very carefully with

our VA leadership how do we balance these two things, if you will, a very heartfelt request from the veterans, do not take away this building, with the challenge of making sure that we do not harm a veteran.

The CHAIRMAN. If I could, Doctor, this is a little off topic, but are you credentialed? Are you currently credentialed? Do you see patients within the VA system?

Dr. JULIUS. Not currently, no.

The CHAIRMAN. No.

Dr. JULIUS. I did until 5 years ago, yes.

The CHAIRMAN. I have a little bit of a problem with the way VA does this because when we had the backlog that erupted—actually it was back to April 9th, but there are physicians within the system that could not see patients. Are you paid for one job? Are you paid for more than one job in your current position?

Dr. JULIUS. I assume I am paid for one job, being the Chief Medical Officer of the network.

The CHAIRMAN. Well, certain pay scales are set. If you are a physician, then you get paid for being a doctor. You get paid for being Chief Medical Officer. You get paid for being the VISN Director. Can you explain——

Dr. JULIUS. My salary is determined by the fact that I am a physician.

The CHAIRMAN. Despite the fact that some of the most serious problems within South Dakota in regard to wait times were here, did either of you receive a bonus in the last several years?

Dr. JULIUS. I received a performance award for last year's performance, yes.

Mr. DISTASIO. And I did also, the first time during my period as a Director for about 3 years now.

The CHAIRMAN. Can you tell us how much it would cost, because I think there has to be some type of an idea, to bring the facility to the ADA compliance? How much money are we talking about?

Mr. DISTASIO. The financial analysis that was done included a significant focus on those costs. I did not bring that with me. Certainly the Members of Congress from this district have those figures, and of course, we are glad to provide them also as a question for the record.

The CHAIRMAN. And also for the committee, if you would provide that for us as well. I think it is pretty important that we figure it out.

I do not know if we have a failure to communicate.

The CHAIRMAN. But let me ask you this. You talked about Hot Springs being a difficult place to recruit physicians to come to and live. Rapid City—a little easier?

Mr. DISTASIO. Yes, sir.

The CHAIRMAN. How much easier is it to get a physician to go to Rapid City?

Mr. DISTASIO. We have no physician vacancies in our operations in Rapid City.

The CHAIRMAN. Here is something that I am wondering because you pay veterans to travel from here, and you are talking about hundreds of veterans having to travel to Rapid City, but one doc,

two docs, three docs. Why can they not live there and you pay them to travel down here?

Mr. DISTASIO. We do that already. Our specialists that come down here may be assigned to Fort Meade, may be in Rapid City. Some are assigned here. So they may often serve patients in both locations.

I would offer to you that sometimes when we are in negotiation with a high value asset, a specialist, if you will, in medicine and we discuss with them that we would like them to travel to serve our patient population, that can be a disincentive to them.

The CHAIRMAN. That is unfortunate because it calls into question whether they are working for the right reason. Are they working for a buck or are they working to serve America's heroes?

[Applause.]

The CHAIRMAN. And I would wonder if they are not willing to sacrifice, do we need them?

[Applause.]

The CHAIRMAN. I want to give Ms. Noem and Mr. Smith the opportunity to do another round of questions, if you have one, because we are scheduled to wrap up in about 11 minutes. So, Ms. Noem, you are recognized.

Ms. NOEM. You cannot remember what your original proposal of moving the facility to Rapid City was, how much that would cost moving care services to Rapid City, putting clinics in. What was your original proposal? What was the cost of that?

Mr. DISTASIO. It is never a good idea to try to recall off the top of your head——

Ms. NOEM. Well, the thing that is really unfortunate about the situation is that one of the biggest reasons you have used for closing down the Hot Springs facility has been cost and to the detriment of our veterans. So I would like to have a general conversation because the proposal has been around for years now. And it took a long time to get a cost analysis from the VA on what the investment would be to bring this facility up to what they would think would be something they could approve of, but you cannot remember that either. And so I do not need it to be down to the penny. Maybe just within $10 million of where it was would be good because it is your proposals and it is your analysis.

And the Save the VA Committee—not once—not once—during their testimony did they not have an answer that we asked them. They had every single answer for everything. They had their data. They had their numbers. They had their facts. They were prepared. Their heart and guts is invested in this thing. And you have sat here over and over today and said you do not know. You will have to get us the information. That is not acceptable.

[Applause.]

Ms. NOEM. So at this point, I do not care if you are wrong. I really do not care if you are wrong. I want you to say something other than I will get that for you or I do not know.

So what was your cost to get this facility up to where you would deem it—if that investment choice was made and what was your approximate cost for your original proposal of shutting down this facility and moving to the Rapid City area and Fort Meade?

Mr. DISTASIO. Congresswoman, I care about being accurate. I care about what is happening to veterans. I have those numbers. We have put them into the hands of your staff. We are glad to do that again.

Ms. NOEM. They did not realize they were responsible to bring your numbers. But we are getting them right now. Hopefully by the end of the hearing, we will have them.

Mr. DISTASIO. That is more than fair. I am always glad to continue this dialogue whether it is again in another hearing or perhaps in a visit in your office or mine. You deserve those answers. We will get them for you.

Ms. NOEM. Okay.

Secretary Shinseki, when we had a meeting with him in Washington, DC and talked about his decision to move forward with the EIS process—he promised that there would be no more reduction in services at this facility while we went through that process. However, I have heard from many veterans in the area, the Save the VA Committee, that we have continued to lose services. And you will have to clarify for me if this is accurate or not. I believe one of them—it was a conversation that happened several months ago about checkups for pacemakers no longer being done here in Hot Springs, stress tests being moved to different facilities. And so is it true that services throughout this process, even though the Secretary of the VA told us in that meeting he would not degrade the services here any more—is it is true that it has continued to happen throughout the process?

Mr. DISTASIO. There are certainly episodic changes in services. And if I could address very simply the one about cardiac pacemakers. Our process in the past had been to have a primary care physician, if you will, oversee that program. The standard of care has exceeded that and it requires a cardiologist. We have no such person on staff. So we made a contract with a regional cardiology group. There really is only one in the Black Hills. And so we have been able to meet that standard of care which is more important to us than, if you will, not. That service is provided by those cardiologists at many locations in the Black Hills and then also remotely.

Ms. NOEM. So you are saying the standard of care changed and that is why that service can no longer be offered here at Hot Springs. Is that a standard of care that is set within the VA or within the American Medical Association? That standard of care—where did that come from?

Mr. DISTASIO. Those are generally set by the professional associations, for instance, cardiology. The American Medical Association certainly may sign onto that.

Ms. NOEM. And then the VA makes the decision whether they choose to adopt those standards of care?

Mr. DISTASIO. Generally speaking, we make every effort to meet the community standard of care, and in this case, that is how that is done here.

Ms. NOEM. I anticipated that when the Secretary told us he would not reduce services, he would do everything in his power to make sure that services were not reduced throughout this process. And that is what is disappointing about it is that I felt as though

he should have made the investment to make sure we could deliver those services here and continue to see patients here while we went through the EIS process so it could be credible at the end of the day.

Thank you. I am out of time.

The CHAIRMAN. Mr. Smith.

Mr. SMITH. Just in the interest of time, I do want to respect the limits of time. But I would highly discourage using the information that you say is driving the decision that it is so difficult to recruit professionals because there is seemingly abundant data that there is an eager reduction in services, and it would be very difficult to recruit anyone to a facility that does not seem to have a commitment behind it.

[Applause.]

Mr. SMITH. So I would humbly ask that you refrain from using many of these driving factors, seemingly driving factors in the decision because I just do not think it can be relevant and especially when perhaps any other facility, rural or urban, would be facing a similar challenge. So if you wish to respond, go ahead.

Dr. JULIUS. Yes, thank you, Congressman.

I totally agree. I totally agree that it is difficult to recruit when there is the uncertainty about what is going on. I think everybody has the same goal in mind, though, and that is that we are all trying to figure out how can we ensure that we are providing safe, quality, evidence-based care to our veterans. Standards of care change over time. We have noticed that in the surgical arena. We did a lot of surgeries in small hospitals in the past, and then there was a very famous bad example in VA in which we had terrible surgical outcomes as a result of that facility sort of overextending what the support the staff that they had to do that. That caused VA to reassess our surgical complexity models. All these things are continually evolving, and so it is not just a standard that just says, well, the way it was 20 years ago or 15 years ago or 5 years ago is the way it is going to be 2 years from now.

Mr. SMITH. I fully understand the need for agility and flexibility and the ease of operation. But when there seems to be a self-fulfilling prophecy here, it is frustrating as a policymaker. It is frustrating as we do engage in how much money to spend—taxpayer dollars—to maintain the commitment that I think we can all agree we have to stand behind our veterans and their care.

Dr. JULIUS. The reality is it is difficult to recruit and retain providers here. To your point—I grant that—the uncertainty of the situation exacerbates that.

Mr. SMITH. I think that is an understatement.

But I yield back. Thank you.

The CHAIRMAN. Mr. Bilirakis.

Mr. BILIRAKIS. No further questions.

The CHAIRMAN. Ms. Noem.

Ms. NOEM. Is it not true that you have justified the closing of this facility based on more veterans seeking services in Rapid City? I know that we have had conversations before, and I think, Mr. DiStasio, you and I have had that conversation before where you have said more and more veterans are choosing to go to Rapid City for their care and for their services.

Mr. DISTASIO. I would clarify that as the phenomenon we are seeing with distribution of the veterans. More and more of them live there. By nature of the kind of care they may need, regional health is our tertiary referral center. So they have to go to Rapid City. And then in addition, our specific effort to expand the spending of non-VA to save veterans from traveling to Minneapolis, Omaha, and so on has allowed them to seek care in Rapid City. And Congressman Smith also in Scottsbluff, Gordon, Alliance and so on.

Ms. NOEM. But as we lose services here, it obviously would cause more veterans to seek care in Rapid City as well. You would agree to that.

Mr. DISTASIO. Or some other local healthcare facility closer to their home.

Ms. NOEM. Can you elaborate—well, no. I am going to pass.

Mr. Chairman, I am very concerned. As a representative of the VA, do you believe that you are carrying out the mission of the VA? What is the mission of the VA, and do you believe that you are carrying out that mission when the decision is being made to go forward with vacating the Hot Springs campus?

Mr. DISTASIO. There is no decision——

Ms. NOEM. Is there a mission of the VA?

Mr. DISTASIO. There is.

Ms. NOEM. What is that?

Mr. DISTASIO. To care for those who have borne the battle.

There is no decision to close this campus. And in fact, the proposal is to certainly change our inpatient footprint but to maintain, as someone requested, a specialty community-based outpatient clinic to serve veterans here locally and then any that choose to travel to this location.

Ms. NOEM. You know, that reminds me. Have you had a conversation with the Fall River Hospital yet about caring for people in this area if this facility were to close?

Mr. DISTASIO. I met personally with the board of the hospital twice.

Ms. NOEM. What did they say to you? Do they have the capacity to——

Mr. DISTASIO. Their approach to the conversation was that essentially they did not want to have it at that time, that we would continue it at some later time.

Ms. NOEM. Okay. Continue on. I am sorry I interrupted you.

Mr. DISTASIO. Thank you. That was all.

Ms. NOEM. The last question I have then is when you are looking at evaluating a facility, whether for closure or to continue to operate it, what are the factors that you consider? I know cost is a factor. What else are the considerations? Is it desires of the veterans or the best service and care of the veterans? Is that one of the factors as well?

Mr. DISTASIO. First and foremost, it has been about delivery of care to the veterans. And it is focused almost entirely on quality and safety. Can we preserve that for our veterans? To be the leader of a healthcare organization or to be a physician or a nurse or a technician in a health care organization that might injure a vet-

eran would just be a nightmare in our lives and certainly a nightmare for——

Ms. NOEM. Do you think that would happen here at Hot Springs?

Mr. DISTASIO. I am concerned that that could happen here.

Ms. NOEM. How could that happen here at Hot Springs?

Mr. DISTASIO. When you look at trying to recruit and retain people that have a full range of competencies, you have both the issue of them maintaining their competencies. Just as important for support staff is gaining the competency. So you might, in fact, have a nurse who does not have the depth of skill to recognize when a patient is getting in trouble and know when to notify a provider or to suggest that a transfer to a higher level of care be made.

Ms. NOEM. So you believe they are not treating enough patients to maintain the competency levels that they need to properly care for the veterans?

Mr. DISTASIO. That is part of the issue we are trying to deal with, yes.

Ms. NOEM. So could you tell me what consideration you gave to the Save the VA's proposal on the PTSD establishment of a center here in Hot Springs? And did it have potential, and did you consider using it as that kind of a facility as well?

Mr. DISTASIO. I did consider it. I still consider it. I think one of the very strong strengths of their proposal was also the veteran industry concept. I was a little surprised, though, that we have not heard much from Save the VA on either of those two proposals over about the last year, and I was expecting them to comment on it in the environmental impact statement process. They chose not to.

Ms. NOEM. Well, I think it might be because they have not gotten answers to their original questions. We are still arguing on——

Ms. NOEM. You have not been able to reconcile the data on number of veterans served in the area. You have not been able to reconcile the data on wait times. Then the audit came out which obviously showed we were not caring for our veterans in this healthcare system properly. So I think because they have never received clear answers from the VA on any of their original questions, why were they to put more work into a proposal they have already submitted to you that you have given them no feedback on and continue to push that when we still have all these unresolved issues? I do not fault them one bit for not bringing that up during this process because from the very beginning when they have been told something from the VA or from the Secretary, it has not been followed through on.

With that, Mr. Chairman, I will yield back.

The CHAIRMAN. Gentlemen, thank you very much for being part of the second panel. We appreciate you being here to answer our questions. We would ask that you continue to be open and transparent and listen to what the people in this community are saying. This is a very unique situation. We are not talking about a facility that was built 30 years ago. We are definitely talking about the heart of a community. I would not want to be on the watch when that heart quit beating. I think that the veterans here today are serious about trying to come up with solutions. We will do what we can.

And I want the folks in the audience to understand too that VA is not perfect and the private sector is not perfect. There will always be errors that will be made by both. We will not be able to please everybody. Lord knows, we in the political arena understand that probably better than most. But we will try.

We are here today at Kristi Noem's request to try to come to a resolution that is satisfactory to those that have borne the battle, their widows, and their orphans. That is the most important thing that we should all remember. As I said in my opening statement, the veteran is sacred. VA is not. We will continue to watch as these Members who have come here today and others within their delegation try to come to a resolution. I have got some ideas that I will share with Kristi offline when we get back in September.

But, again, ladies and gentlemen, thank you for being here today. It has been an honor to be in Hot Springs. And next time I come, I will be spending the night here not in Rapid City.

The CHAIRMAN. This hearing is adjourned.

[Whereupon, at 1:06 p.m., the committee was adjourned.]

APPENDIX

PREPARED STATEMENT OF JEFF MILLER, CHAIRMAN

Good morning and thank you for joining us today.

I am Jeff Miller, Chairman of the Committee on Veterans' Affairs for the United States House of Representatives and Congressman from the First District of Florida, where—as we like to say—thousands live like millions wish they could.

I am joined today by Congressman Gus Bilirakis, Committee Vice Chairman from the Twelfth District of Florida; by Congressman Adrian Smith from the Third District of Nebraska; and, by your Congresswoman and my friend, Kristi Noem, from right here in South Dakota.

Rep. Noem (Kristi) is known in Washington for her hard work, steadfast leadership, and strong voice—particularly where the needs of servicemembers and veterans in South Dakota and around the nation are concerned.

Earlier this morning, she led us on a tour of the Hot Springs campus so that we could see first-hand the services that are provided and the impact closure of that facility would have on the hard-working employees who work there and the deserving veterans who receive care there.

During that visit, it became even more apparent to me what an ardent and impassioned advocate she is for her fellow South Dakotans.

This community has a long and storied history of coming together to care for its military and veteran populations and, looking out on this audience, it is clear that passion and enthusiasm has never been more alive.

Thank you all for taking time out of your day to join us and for the work that you do to support and honor our nation's veterans.

It is a honor to be in Hot Springs and I am grateful to Rep. Noem (Kristi) for inviting us here.

Before I go any further, I would like to ask all of the veterans in our audience to please stand if you are able or raise your hand and be recognized?

Thank you for your service.

We are here today on your behalf to ensure that the care you receive is timely, convenient, accessible, and high-quality.

The Department of Veterans Affairs (VA) Black Hills Health Care System—which has campuses in Fort Meade and Hot Springs—covers a service area of approximately one-hundred thousand (100,000) square miles across four states and has one of the highest enrolled veteran penetration rates in the country.

As you all know, in April, a Committee investigation and whistleblower revelations exposed widespread corruption and systemic access delays and accountability failures across the VA healthcare system that left thousands of veterans—including some right here in your state—waiting for weeks, months, and even years for the health care they earned through honorable service to our nation.

The Committee has conducted aggressive and historic oversight in the four months since the depth of VA's many deficiencies has come to light; VA senior lead-

ers at all levels have resigned and been replaced; and, nationwide initiatives have been put undertaken.

Just two weeks ago today, Congress passed a bipartisan Conference agreement that will improve accountability for VA employees; increase access to care for veterans facing lengthy waiting times for VA patients or residing far from the nearest VA facility; and pave the way for long-term reforms that will dramatically improve the Department for veterans today and for generations to come.

However, no single law by itself will create the large scale cultural and structural reform that is truly needed in our nation's second largest bureaucracy or address all of numerous and varied issues our veterans and those who care for them experience every day.

Here in Hot Springs you have faced your fair share of obstacles with the Department of Veterans Affairs.

Recently, VA has told us that one significant factor impacting access to care for veterans is the lack of clinical and administrative space across the VA healthcare system.

Yet, here in Hot Springs, VA has a historic campus that the Department claims it can no longer use. In a community such as yours open communication is vital, particularly when an agency is considering an action that could have a significant impact on the very livelihood of that community.

I share your concerns about the quality of the data VA has provided to support the Department's proposal to close the Hot Springs campus while building new facilities and your frustration about the lack of transparency that seems to have characterized VA's response to your concerns.

Unfortunately, data integrity issues and lack of transparency characterize much more than just VA's responses here.

I am also concerned that VA's nationwide access audit found troubling scheduling practices were been in place in South Dakota, including instructions—against VA policy—to manipulate appointment waiting times.

If VA leaders are so concerned about being unable to make the Department's access goals that they would resort to manipulating data, why is VA not making full use of its existing facilities—in this case, Hot Springs—to ensure access to care for veterans across South Dakota?

I look forwarding to hearing from today's witnesses—local veterans, local stakeholders, and local VA officials—about what VA what actions have been taken and still need to be taken to improve access to care for veterans throughout the Black Hills and what need to be done to provide the highest level of care to those veterans who rely on services here in Hot Springs.

As citizens and active community members, you are the true experts and I look forward to listening to your thoughts, ideas, and proposals.

I thank you all once again for being here this morning.

OGLALA SIOUX TRIBE
Office of the President
Bryan V. Brewer
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Testimony

August 12, 2014

Statement by:
Bryan V. Brewer, Sr.
President,
Oglala Sioux Tribe

Re: Support to Save the VA Black Hills Health Care System - Hot Springs Campus

Before:
U.S. House of Representatives
Committee on Veteran Affairs
One Hundred Thirteenth Congress
335 Cannon House Office Building
Washington, DC 20515

Dear Members of the Committee,

Good Morning Committee Members. My name is Bryan Brewer; I am an enrolled member and current President of the Oglala Sioux Tribe. I was proud to serve this country in the United States Navy from 1965 to 1969. I served three tours as a combat veteran in the Vietnam War. I have been actively utilizing the VA here in Hot Springs since 2001 and I come here today to lend my support to saving the Hot Springs VA facility.

Personal Experience with Services

I am aware of the recent concerns nationally regarding the VA health care system, however my experience with the services at the Hot Springs VA have been exceptional. Most of the health care I needed, they have provided. When specific care couldn't be provided, I was referred to other VA sites and specialists in the region, often receiving financial assistance to travel to those sites.

While this VA facility may seem isolated, it services veterans beyond western South Dakota and many from our sister Lakota tribes of Cheyenne River and Rosebud. Over the years I've met veterans from Wyoming, Montana, Nebraska, North Dakota and sometimes beyond depending on what services they've come to receive. So this facility is crucial to the veterans in this entire region.

Quality of Care at VA

As you are aware, there is a current Memorandum of Understanding between the VA and the Indian Health Service (IHS) to "encourage cooperation and resources between the two departments". While this partnership has been shown to work well for our sister tribes in other parts of the country, the preference for local American Indian veterans is to get their health care from the Hot Springs VA. Here, we have consistent health care providers, quick responsiveness to our arising health issues, trust in confidentiality in our provider/patient exchanges, and for the most part appointments are timely and prompt. As outlined in the 2010 report on IHS by former Senator Byron Dorgan, IHS in the Aberdeen Area struggles and has a difficult time to meet basic health needs of its patients. The VA recognizes that we as veterans have very unique health care needs and works hard to provide services to address those needs. For many reasons, IHS is an overwhelmed system and is not equipped to address the very precise and delicate nature and delivery of care that veterans require.

One example of delicate care veterans require is the treatment of Post-Traumatic Stress Disorder (PTSD). The PTSD treatment here at the Hot Springs VA has the reputation of being one of the best treatment programs in the country. A few years back I was told of a man who travelled from Kentucky to go through the PTSD treatment here. When he arrived, the cycle for treatment had already begun. The story goes that man stayed in one of the Hot Springs parks for several weeks in order to join the next cycle.

Cultural Competency and Sensitivity

I appreciate the cultural competency and sensitivity of the staff and leadership here at the Hot Springs VA. It is one place I can come and feel like I'm treated the same as my non-Indian counterparts. We're all treated with professionalism, we're all treated with dignity and respect, and we're all treated as honored veterans.

Over the years, I have seen more American Indians join the staff here. The Hot Springs VA supports and encourages the use of traditional Lakota practices. They've allowed for us to smudge with our medicines, sing our prayer songs, and on more than one occasion have supported 'inipi' (also known as the sweatlodge ceremony) conducted by a local tribal member. The PTSD Treatment program has components specifically tailored to American Indian veterans.

Cultural and Historical Significance

Culturally for the Lakota, the Hot Springs area has great significance in regards to its healing properties and being a place to collect some of our traditional Lakota herbs and medicines. Located near Hot Springs, Wind Cave is a sacred site to us Lakota. It marks the place we emerged from Mother Earth to the outside world. In a recent letter written to newly appointed Secretary Robert McDonald, delegates stated in that letter, "For more than 100 years, veterans have been coming to Hot Springs to receive health care." We can appreciate this historical significance, as our ancestors have been coming to the Hot Springs area for healing for thousands of years. For us Lakota it makes sense that this area, with its beauty and healing power, would be where the VA was built.

Efforts to increase utilization of VA

To date, there has never been a census of the veterans on our reservation. We estimate that there are 3,500 Oglala Lakota veterans and we know not all of these veterans currently utilize the VA. Some are unaware of the services that they have a right to access. Locally, we have partnered with the Disabled Veterans of America and the American Legion to help inform and recruit veterans to use the VA. Our hope is by increasing the amount of veterans to the VA, revenue to the Hot Springs VA and overall area will also increase.

In conclusion, the Hot Springs VA has a long history, strong cultural ties, and an undeniable commitment to veterans' health. As I sit here today, I think of all the veterans, the warriors, the heroes from our communities who passed through the halls of the Hot Springs VA. They came here for care, for healing, for comradery, and some came here for their final days. Closing the VA in Hot Springs not only changes the landscape of Hot Springs and western South Dakota, it robs veterans of the unique and specialized care they have received here for decades and should receive for decades to come.

Thank you for the opportunity to testify before this committee and the opportunity to share my support to save the Hot Springs VA.

Pilamiya (Thank You)

STATEMENT OF

TIM JURGENS, COMMANDER,

DEPARTMENT OF SOUTH DAKOTA

THE AMERICAN LEGION

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

ON

"PROVISION OF CARE TO VETERANS IN RURAL SOUTH DAKOTA THROUGH THE DEPARTMENT OF VETERANS AFFAIRS (VA) BLACK HILLS HEALTH CARE SYSTEM HOT SPRINGS CAMPUS"

AUGUST 14, 2014

1608 K Street N.W. ♦ Washington, D.C. 20006 ♦ www.Legion.org ♦ (202) 861-2700

STATEMENT OF
TIM JURGENS, COMMANDER,
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THE AMERICAN LEGION THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
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August 14, 2014

Every day in America 22 veterans commit suicide[1].

As this year has progressed, revelations from the Department of Veterans Affairs (VA) Office of the Inspector General (VAOIG) have made it clear that there have been serious lapses in the VA's ability to provide care. Appointment concerns veterans have noted for years – that they are having problems getting appointments and care from VA – are now well documented. What VA had previously denied based on their own internal data was now shown to be true.

On behalf of our National Commander Daniel Dellinger and the 2.4 million members across this nation, The American Legion is here to reaffirm our commitment to building a strong VA to serve the needs of this nation's veterans. By national resolution, The American Legion specifically calls on the Veterans Health Administration (VHA) leadership conduct an internal review and to develop an action plan to address its current geographic boundaries/catchment areas concerns, in order to better provide timely access and quality health care for veterans.[2]

On January 7, 2014, VA announced plans to move forward with their reconfiguration proposal at the Hot Springs Campus which would include elimination of mental health services, domiciliary care, urgent care services, the nursing home, and the entire hospital.[3]

Currently, VA Black Hills Health Care System (VABHHCS) provides primary and secondary medical and surgical care, along with residential rehabilitation treatment program (RRTP) services, extended nursing home care, and tertiary psychiatric inpatient services for veterans residing in South Dakota, portions of Nebraska, North Dakota, Wyoming, and Montana. Care is delivered through the Fort Meade and Hot Springs VA Medical Centers, as well as through nine community-based outpatient and rural outreach clinics.

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[1] http://www.va.gov/opa/docs/suicide-data-report-2012-final.pdf
[2] http://archive.legion.org/bitstream/handle/123456789/2071/2012N162.pdf?sequence=1
[3] http://www.blackhills.va.gov/VABlackHillsFuture/

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On January 10-11, 2012, The American Legion System Worth Saving (SWS) Task Force conducted a site visit to the VABHHCS, Hot Springs, South Dakota to discuss their December 2011 reconfiguration proposal. Following the site visit, The American Legion issued a report which included seven recommendations.[4]

On February 17, 2014, The American Legion System Worth Saving (SWS) Task Force conducted a Town Hall meeting and follow-up site visit at the VABHHCS, Hot Springs, South Dakota. The purpose of the visit was to hear from veterans firsthand about their concerns with VA's proposed reconfiguration of services at the VABHHCS.

Following the town hall meeting, from February 18-20, 2014, the task force met with VABHHCS Executive Leadership team and staff to discuss their proposed reconfiguration of services, recommendations from our previous 2012 SWS site visits, VA's announcement to move forward with the Environmental Impact Study (EIS), and concerns addressed by the veteran community during the town hall meeting regarding access to care. Additionally, on February 20, 2014, the task force met with the Fall River Heath Services (FRHS) Board of Directors and the Save the VA Committee.

Two years prior, The American Legion made several recommendations regarding the Hot Springs catchment area regarding VA services. During the February 2014 SWS Site visit, The American Legion requested a status update on the recommendations, which is included following each recommendation.

SWS 2012 Recommendations and VABHHCS Response

- Recommendation 1: VA should not relocate and/or close medical services until a new facility is in place in order to accommodate the health care needs of the veterans in the Hot Springs catchment and/or surrounding areas.

  - Response: The VABHHCS proposal for reconfiguration provides for seamless availability to care for veterans in the VABHHCS service area

- Recommendation 2: VA should maintain the same level of care and/or services, and provide equal understanding of veteran's health care needs, if contracted to non-VA medical facilities.

  - Response: VABHHCS has no plans to reduce services pending a decision by the Secretary of Veterans Affairs regarding the proposal for reconfiguration. If approved, the proposal for reconfiguration includes more robust services for veterans provided by VA and through VA purchased care.

4 http://www.legion.org/sites/legion.org/files/legion/publications/SWS%20Report%202014%20-%20Black%20Hills.pdf

- Recommendation 3: If the VA Medical Center was to be closed, VA should plan to open a super CBOC to provide both primary and specialty care services.

- Response: The VABHHCS proposal for reconfiguration includes plans to build or lease a new CBOC in Hot Springs.

- Recommendation 4: VA should keep the domiciliary on the Hot Springs Campus to provide long-term/extended care to meet veteran's long term care needs.

- Response: The VABHHCS proposal for reconfiguration includes relocating the Residential Rehabilitation Treatment Program to Rapid City, SD.

- Recommendation 5: The VAMC should search for opportunities to make use of the State Veterans Home in Hot Springs.

- Response: VABHHCS looks forward to continuing to partner with the State Veterans Home as they undertake construction and occupation of the new facility.

- Recommendation 6: Future plans should reflect necessary services that veterans in the Hot Spring's catchment and surrounding areas need.

- Response: The VABHHCS proposal for reconfiguration includes more robust services for veterans provided by VA and through VA purchased care/

- Recommendation 7: Without viewing a finalized contract with the local hospital in Hot Springs, The American Legion at this time cannot ensure reconfiguration of inpatient services will provide the same quality of care that veterans are currently receiving at the Hot Springs Campus.

- Response: Fall River Hospital is licensed by the state and certified by Medicare and Medicaid. In our experience to date there have been no issues about the quality of care provided.

On December 12, 2011, during a community meeting at the Mueller Civic Center in Hot Springs, SD, officials from VISN 23 and Director of the VABHHCS announced plans to reconfigure existing services between the Hot Springs VA Medical Center, Fort Meade VA Medical Center and the Rapid City Community Based Outpatient Clinic. As outlined in the VABHHCS 2011 Proposal for Improvements and Reconfiguration of Services (Appendix A), one of the statements made was, "We have conducted a thorough review of the services provided in the region and believe that improvements and reconfigurations are needed to increase the scope of health care services that will be provided to Veterans at points of care close to their homes."

According to VABHHCS Executive Leadership, if the plan to reconfigure services is approved, the plan will be implemented over a five-year period.

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Based on our meeting with the Save the VA Committee, one of the issues under dispute concerning the VABHHCS reconfiguration of services is their data. Save the VA Committee informed us that VA's data is unreliable and does not provide an accurate account of all the veterans in the counties serviced by the Hot Springs VA Medical Center. They further indicated that VA's data does not account for all the Native Americans on the Indian reservations. In response, the Director and his staff informed us that they went to the tribal service officer to request the number of Native American veterans on the Indian reservations, and as of the date of our site visit, they are still waiting on the information. When asked if the medical center has requested data from the Save the VA Committee, we were told they have, but to date, they have not received any information that would contradict their data. VA Central Office is not able to provide census/demographic information.

Battle Mountain Sanitarium

The Battle Mountain Sanitarium opened in 1907, offering veterans a complete array of services. Battle Mountain Sanitarium (now part of the Veterans Affairs Black Hills Health Care System) was the 10th and final facility built by the National Home for Disabled Volunteer Soldiers (NHDVS). Battle Mountain was intended for use as a soldier's home; instead, it was a short-term treatment facility for current residents of the NHDVS who suffered from lung or respiratory problems. Between 1908 and 1909, 865 Civil War and Spanish American War veterans received treatment at the facility. By World War I, tuberculosis treatment became the primary focus of the Sanitarium. Because of the influx of veterans with tuberculosis, the increasing need for space led to construction of the Main Hospital (Building 12) in 1926 to the east of the original building complex. The number of veterans at the Sanitarium grew as veterans who were not members of another National Home branch became eligible for tuberculosis treatment at the Sanitarium.

Hot Springs VAMC

The Hot Springs VAMC has served the veterans of Hot Springs, South Dakota since 1907. Construction on the Hot Springs Sanitarium (Domiciliary Building) was completed in 1907. The Sanitarium provided Civil War veterans with a place to rest and recuperate. Due to its unique location surrounded by the Black Hills, according to House Concurrent Resolution No. 1004, Hot Springs was formerly called Minnekahta, which means "warm waters" in the Lakota language. The healing waters that were so valuable to Native Americans became the foundation for two of the greatest institutions to be built in Hot Springs. The main hospital building #12 was constructed in 1926. Today, the Hot Springs campus serves veterans of Hot Springs and the surrounding area by providing the following hospital services: 10 acute medicine beds; 7 Community Living Center (CLC) beds; 160 Residential Rehabilitation Treatment Program (RRTP) beds; and 17 Transitional Residence (TR) House beds and outpatient services. The inpatient average daily census is approximately 5 patients per day.

The Hot Springs VAMC does not have an emergency room, but does have an urgent care clinic. In accordance with VHA Directive 2010-010, Standards for Emergency Departments (ED) and Urgent Care Clinic Staffing Needs in VHA Facilities, Urgent Care is defined as unscheduled ambulatory care for an acute medical or psychiatric illness or minor injuries for which there is a pressing need for treatment to prevent deterioration of the condition or impairing possible recovery. Urgent Care Clinic (UCC) is defined as a clinic which provides ambulatory medical care for patients without a scheduled appointment who are in need of immediate attention for an acute medical or psychiatric illness, or minor injuries. UCC can exist in facilities with or without an ED. In either case, UCC are not designed to provide the full spectrum of emergency medical care. Hours of operation are based on facility need and policy.

The Medical Center Director and staff pointed out that one of the major challenges at the Hot Springs VA Medical Center is recruitment of licensed practical nurses, registered nurses and physician hospitalists. The average time frame for filling any vacancies in FY 2013 was 51 days and the average in FY 2014 is 42 days. Currently mental health is using a cohort model, which includes a 12 veteran cohort. However, this model has created a delay in appointment wait time. In May, Mental Health will be starting a new process to help reduce their wait time.

During the site visit we toured the Hot Springs VAMC where a number of concerns were pointed out. First in Building 4, male veterans are housed in an open-bay ward. Although partitions have been put in place to separate veterans and give them a sense of privacy, living conditions are substandard. Another concern are the steep ramps throughout the domiciliary, which the medical center staff indicated pose a safety concern and are not in compliance with the Americans with Disabilities Act of 1990 (ADA).

Refer to Appendix C on the Department of Veterans Affairs Accessibility Standards Guide, which includes specifications for Ramps in Department of Veterans Affairs Health Care facilities.

Fort Meade VAMC

Fort Meade was established in 1878 as a cavalry post for the 7th Cavalry. The Fort Meade property was transferred to the Veterans Administration in 1944. The facility began as a neuropsychiatric hospital and later added general medicine and surgery. In 1967, the current hospital complex was completed. Today, the hospital serves veterans of the community and surrounding area by providing the following services: 24 acute medicine/surgery beds; 4 intensive care unit beds; 10 acute psychiatric beds; 97 Community Living Center (CLC) beds; and 12 Transitions Residence (TR) house beds and outpatient services.

Meeting with VA Black Hills Executive Leadership and Staff

On February 18th and 20th the SWS task force members met with the VABHHCS Executive Leadership team and staff to discuss the proposed reconfiguration of services at the VABHHCS.

The Director indicated that VABHHCS's proposal would allow them to provide care closer to where the veteran lives; however, based on our town hall meeting, veterans indicated they prefer that a full service hospital remain in Hot Spring, South Dakota. The Director pointed out that due to challenges at the Hot Springs VA Medical Center, i.e. domiciliary ramps are not compliant with the Americans with Disability Act, etc, his plan calls for building a new Domiciliary/Residential Rehabilitation Treatment building in Rapid City, South Dakota to replace the existing Domiciliary in Hot Springs. When we the asked the Director "if the Secretary decided to build a new Domiciliary in Hot Springs would he be supportive of this decision," he responded, "yes," he would support the Secretary's decision to build a new Domiciliary in Hot Springs.

If the reconfiguration of services is approved, the Director and staff indicated that outpatient services at Hot Springs would not be impacted. Nevertheless, our observation indicates inpatient and domiciliary services would be impacted, requiring veterans in the southern portion of the VISN having to travel further to receive their VA health care services. Keeping VA inpatient and domiciliary services in Hot Springs, South Dakota would ensure VA services are in fact provided closer to where the veteran lives.

Meeting with Fall River Hospital Board of Directors

On February 20, 2014, a meeting was held with the Fall River Hospital System (FRHS) Board of Directors. As a Critical Access Hospital (CAH), certified by the federal government, Critical Access Hospitals are in rural areas and provide essential services to their communities, operating under certain stipulations regarding length of stay, number of beds, distance from tertiary hospitals, etc. The CAH program is designed to improve rural health care access and reduce hospital closures. A cost-based system is used, which is calculated by figuring all expenses needed to care for the patient. The hospital is then reimbursed based on that figure. To date, however, the VA has presented no reimbursement proposals, cost analysis, needs assessments, or business plan to the board of directors of FRHS, so no comparison of probable costs/charges and proposed reimbursement has been possible.

According to Trica Uhlr, Hospital FRHS Administrator, the only service FRHS provides the VABHHCS is diagnostic radiology services. The Board indicated that FRHS is not accredited by the Joint Commission on Accreditation of Healthcare Organizations, but is state accredited. Services currently offered at FRHS include: Acute Care; Swing Bed; Emergency; Laboratory; Radiology (X-ray, CT, MRI, Digital Mammography); Ultrasound (Vascular, Abdomen, OB/GYN); Rehabilitation (PT, OT, ST, RT, and Cardio/Pulmonary) Surgery; Orthopedics; Podiatry; Sleep Studies; and Ambulatory Surgery, which is offered one day a week. Fall River Hospital does not have an Intensive Care Unit.

Board members further indicated that they had two meetings with VA Black Hills Executive Leadership to discuss their proposal. The first meeting was on December 21, 2011 and the

second meeting was held on February 22, 2012. Board members indicated that while the Director made several vague suggestions, he did not offer any details on what relationship VA is seeking with FRHS, did not present a business proposal, and when questioned what services would be requested of FRHS, HSVA leadership remained very vague with no new information or inquiries presented by the VA, despite the fact that the VA Director had requested the second meeting.

The FRHS board members expressed that they have repeatedly requested the VABHHCS Executive Leadership to provide them with their business plan outlining the services they would like the FFRHS to provide; however, as of the date of our site visit, they still have not received this information.

In a paper documenting the two meetings between the FRHS Board of Directors and HSVA leadership, FRHS Board members indicated that "the contents of the proposal presented by the local VA and VISN leadership on December 12, 2011, came as a surprise to the board of directors of the FRHS" who, despite the fact that the VA chose to publicly suggest some type of collaboration with the FRHS, had no prior knowledge of such a plan. To date, any suggestions or proposals made directly by the VA to FRHS have been very vague, at best—lacking any detail or sense of a business plan. Despite the VA Director's public mention of "building a wing" or "co-locating" at FRH, the FRHS board has never publicly or privately encouraged or responded, feeling, rather, that it is very unlikely that such an idea is feasible.

When asked if the VA's Black Hills Health Care System proposal was approved and what services FRHS would be in a position to provide Hot Springs VA Medical Center, the board members indicated that without seeing a business plan from VA, which they have requested, they are in no position to state what services they would be able to provide. Nevertheless, they were in agreement that the FRHS would not be in a position to provide the following services: mental health; pharmacy consultation; prosthetic; audiology; optometry; nuclear medicine; ENT; dentistry; dialysis; and home based primary care.

Board members also voiced concerns about the lack of the ability to share patient records electronically between the two facilities. They indicated this issue would need to be addressed. In their closing comment, they indicated the VABHHCS is not in the FRHS long-term plan.

Meeting with Save the VA Committee

On February 20 2014, the task force members met with the Save the VA Committee at the Muller Center to discuss their concerns with the VABHHCS reconfiguration proposal. The committee stated they are concerned about the data VA is using to support their proposal to reconfigure services at the Hot Springs VAMC. When the task force members question them about the reasons the Medical Center cited moving services from Hot Springs to Fort Meade and closing the domiciliary in Hot Springs, we were told that their justifications were flawed and their data was problematic.

The SWS Task Force members were also informed that their justification for closing the domiciliary in Hot Springs and building a new one in Rapid City based on the ramps not being ADA compliant and posing a safety concern is not true. We were provided with a February 19, 2013 report which pointed out that there are no records that indicate that over 107 years that these ramps have any kind of a "negative" safety record. We were also told that based on their data, the domiciliary is in fact ADA compliant. Save the VA Committee provided a number of documents to support their position.

Meeting with the National Trust for Historic Preservation

The National Trust for Historic Preservation, the nation's leading nonprofit advocate for the saving and reuse of America's historic places, has a long-standing interest and involvement in the fate of historic buildings and landscapes that relate to the care of our nation's veterans. Since 2012, the National Trust for Historic Preservation has been highly involved with the Battle Mountain Sanitarium in Hot Springs, SD, after naming it one of its National Treasures as part of a campaign to preserve nationally significant places across the country. In the case of Battle Mountain Sanitarium, a National Historic Landmark, National Trust resources are being placed toward preventing the closure of the medical facility and ensuring its preservation and continued use for veterans' medical care, as well as drawing attention to the plight of other threatened historic VA sites across the country.

In November 2013, the National Trust released a report entitled *Honoring Our Nation's Veterans: Saving Their Places of Health Care and Healing*[5], to open a dialogue with the VA to foster improved consideration and care for the historic facilities that have been providing quality medical care to veterans for decades. One of the report's top recommendations is that VA leadership commit to its requirements pursuant to the National Historic Preservation Act (NHPA) in the stewardship of its historic properties, as well as required compliance pursuant to the National Environmental Policy Act (NEPA). The report details that both federal laws have been routinely circumvented by the VA, such as at Battle Mountain Sanitarium, where the VA announced its plans to close the campus in 2011 without undergoing NEPA and NHPA. NEPA requires federal agencies to identify and meaningfully consider alternatives to proposed federal actions and to fully consider and publically disclose the "environmental" consequences before proceeding with agency action. The law mandates that federal agencies share their decision making on programs and projects with stakeholders and the public by weighing the objectives to the served by a proposed action in light of the reasonably available alternatives and ways to avoid or minimize adverse impacts to the environment.

The report included eleven recommendations, which have been referred to the Department of Veterans Affairs for consideration.

[5] http://www.preservationnation.org/information-center/saving-a-place/va-hospital/NTHP-VA-Report-FINAL.pdf

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Treanor Architects Renovation Impact Review of the Hot Springs VAMC

On August 9, 2012, Treanor Architects completed a one-person/one-day assessment of buildings No. 1 through No. 12. The assessment determined that the major interior component that will require a greater level of evaluation and study is the interior ramp system between the two-story arcade hallways and the three-story attached ward buildings. While the interior ramp system was truly a cutting-edge design component circa 1900, the slope of the ramp does not comply with today's building code or accessibility standards. In our opinion, the VA has done an admirable job in maintaining the interiors of the facilities and as long as the VA continues with the past level of routine maintenance and forecasted interior renovation projects, the interior of all 12 buildings can continue to be very usable. Following is a brief summary of the significant interior building components rated in the Building and Component/System Analysis form.

Appendix B provides extracts from Treanors' report covering Section III, Existing Conditions and Section IV, Cost Estimate Evaluations.

Conclusion

The local community is opposed to the VABHHCS reconfiguration proposal and is adamantly against further reduction of services at the Hot Springs VA Medical Center, which includes relocating the domiciliary from Hot Springs, SD to Rapid City, SD. Communication between the VABHHCS and the local community appears to be at a stalemate, with neither side willing to concede. The VABHHCS has based its reconfiguration proposal on data obtained from the Veterans Health Administration's Office of Policy and Planning, which depicts a declining veteran population in Hot Springs.

This along with an aging infrastructure, which has been designated as a National Treasure by the National Trust for Historic Preservation, has brought national attention to this issue. Based on VA's data, the Hot Springs Domiciliary is not ADA compliant. As mentioned under the Treanor Architects Renovation Impact Review section, Treanor concluded that the slope of the ramps do not comply with today's building codes or accessibility standards, but in their opinion, the VA has done an admirable job in maintaining the interiors of the facilities and as long as the VA continues with the past level of routine maintenance and forecasted interior renovation projects, the interior of all 12 buildings can continue to be very usable.

The issue is whether relocating services from the Hot Springs VA Medical Center to the Fort Meade VA Medical Center and the domiciliary to Rapid City are in the best interest of veterans. This would require veterans to travel further to receive their health care. Veterans at the town hall meeting voiced concerns that they do not want to travel to Rapid City, which is over 120 miles round trip. FRHS has expressed that the VABHHC System is not currently included in their long range plan, but if they were, it appears FRHS could only provide limited services. Since VABHHC System Executive leadership has not provided FRHS board of directors with a business plan, and the information verbally discussed has been vague, FRHS is not in a position

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to state what services they will be in a position to provide the Hot Springs VA Medical Center. Nevertheless, they have made it clear that FRHS will not be in a position to provide mental health, pharmacy consultation, prosthetic; audiology, optometry, nuclear medicine, ENT, dentistry, dialysis, and home-based primary care.

As VA moves forward with the EIS, The American Legion requests that the study be conducted with true transparency, in an honest, fair and unbiased manner and as required by federal law, take into account the proposed needs, alternatives, affected environment, and environmental consequences.

Facility Challenges and Recommendations

Challenge 1: Communication between the VABHHCS Executive Leadership and the local community has broken down and is at a stalemate. The VABHHCS director and staff were not present at the town hall meeting, even though they were invited to attend. During our site visit, we learned that a member of Post 71 has often demonstrated threatening and unwelcoming behavior and in one instance informed the Director he is no longer welcome at his post. This may support why the invitation to attend the town hall meeting was turned down; however, the Director assured us that, "he would go anywhere and speak to anyone about the VABHHCS proposal to reconfigure services at the VABHHCS."

Recommendation: The VABHHCS Director and Executive staff should continue to work hard to gain the trust of their local community and be transparent with veterans, community and congressional leaders with regard to the VABHHCS proposal to reconfigure services and the pending EIS.

Challenge 2: To date, Secretary Shinseki has not visited Hot Springs, South Dakota even though he was extended an invitation.

Recommendation: Secretary Shinseki should arrange a visit to Hot Springs, South Dakota and schedule a Town Hall meeting to meet with veterans and hear firsthand their concerns about VABHHCS reconfiguration proposal.

Challenge 3. During the Town Hall meeting, veterans and community leaders voiced concerns about the VABHHCS reconfiguration proposal. It was made clear that they oppose the closure of inpatient services and relocating of the domiciliary to Rapid City. Veterans further indicated that they do not want to obtain health care from FRHS or other community hospitals in Rapid City which have been traditionally provide by the Hot Springs VA Medical Center. While the VABHHCS Director indicated he is in favor of realigning health care services closer to where the veteran lives, our observation indicates closing inpatient services at the Hot Springs VA Medical Center and moving domiciliary services from Hot Springs to Rapid City would adversely impact veterans, requiring veterans who live in the southern portion of the VISN to travel further to receive their VA health care services. The American Legion is concerned that

while VABHHCS reconfiguration proposal may be in the best interest of VA, veterans who live in Hot Springs do not feel it is in their best interest.

Recommendations: VABHHCS Executive Leadership, VISN 23 Director, VA's Under Secretary for Health and the Secretary of the Department of Veterans Affairs must seriously take into account the concerns voiced by veterans and community leaders concerning the VABHHCS reconfiguration proposal. The EIS is an important phase of the process and while The American Legion believes it should have been conducted in the beginning prior to making any public announcements, VA must ensure that the EIS be conducted with true transparency, in an honest, fair and unbiased manner taking into account the proposed needs, alternatives, affected environment, and environmental consequences.

Challenge 4: Veterans in Hot Springs, South Dakota, Nebraska, North Dakota and Wyoming who obtain their care from the Hot Springs VA Medical Center are fearful that someday the Hot Springs VA Medical Center will eventually close. Like many veterans around the nation who are faced with the loss or reduction of VA health care services (i.e., Fort Wayne VA Medical Center pause of services, which resulted in the closure of their intensive care unit, VAMC Roseburg, Oregon closure of their intensive care unit, the closure of VA Community Based Outpatient Clinics, and the closure of VA emergency departments or their downgrade to urgent care departments), veterans across the nation are in fear of losing their VA health care.

Recommendation: The Department of South Dakota American Legion needs to work with The American Legion's Headquarters office in Washington, DC, to draft a national resolution calling for Congress to enact legislation to stop VA from closing hospitals and community based outpatient clinics unless existing requisite community services that VA currently provides to veterans are met or exceeded.

Challenge 5: The American Legion was provided letters from the local congressional members showing they have submitted counter proposals in an effort to keep all of the services at the Hot Springs VA Medical Center. The Save the VA Committee has developed their own proposals to keep a full services VA hospital in Hot Springs; however, the VABHHC System has not responded to these proposals.

Recommendation: Congress needs to conduct a Congressional Hearing to be conducted by the House Veterans' Affairs Subcommittee on Oversight and Investigations on VA closure of hospitals, community-based outpatient clinics and investigate VA health care facilities that are threatening to reduce VA health care services like the VABHHCS reconfiguration proposal.

Challenge 6: The Hot Springs VA Medical Center has provided health care to veterans of the Hot Springs community for over ten decades. Being the biggest employer in the community, cutting services and relocating employees from Hot Springs to Fort Meade and or Rapid City, will have a devastating impact on the community of Hot Springs. VA cannot ignore this issue and must address this concern.

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Recommendation: As stated before, the EIS is an important phase of the process and while The American Legion believes it should have been conducted in the beginning prior to making any public announcements, VA must ensure that the EIS be conducted with true transparency, in an honest, fair and unbiased manner taking into account the proposed needs, alternatives, affected environment, and environmental consequences.

Challenge 7: While the VABHHCS believes their reconfiguration proposal is in the best interest of veterans, veterans are oppose to the VABHHCS reconfiguration proposal. The Hot Springs VA Medical Center has provided health care to veterans in Hot Springs and the surrounding communities for over 100 years. The threat of relocating services from the Hot Springs VA Medical Center to Fort Meade and Rapid City, South Dakota is an unpopular decision as many veterans have stated if services were relocated to Fort Meade and Rapid City, they would no longer use VA as their provider of health care.

Recommendation: VABHHCS should retain long term care at Hot Springs with a CBOC. Acute service should be contracted with the private facility in the community. Discuss with the private and state facilities in HS the availability of skilled personnel for recruitment and retention. The availability of staff is crucial to making any decision on services to be provided.

Challenge 8: VABHHCS reconfiguration proposal does not address how services with the State Veterans home could be coordinated to assure a full range of sub-acute services are available to veterans.

Recommendation: VABHHCS Executive Leadership should coordinate services with the State Veteran Home in Hot Springs to assure coverage and a full range of sub-acute services are available to veterans in Hot Springs in a continuum of care perspective.

Challenge 9: The VABHHCS Executive Leadership reported that the Hot Springs VA Medical Center is not ADA compliant.

Recommendation: VABHHCS Executive Leadership should upgrade the existing Hot Springs VA Medical Center to meet disability requirements and maintain the current facility at Hot Springs.

For additional information regarding this testimony, please contact Mr. Ian de Planque at The American Legion's Legislative Division, (202) 861-2700 or ideplanque@legion.org.

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Appendix A

Original VA BHHCS Proposal for

Improvements and Reconfiguration of Services

Statement:

The Department of Veterans Affairs VABHHCS (VABHHCS) is committed to providing high-quality health care to the Veterans in western South Dakota, northwestern Nebraska and eastern Wyoming. We have conducted a thorough review of the services provided in this region and believe that improvements and reconfigurations are needed to increase the scope of health care services that will be provided to Veterans at points of care closer to their homes.

Summary:

VABHHCS proposes a reconfiguration of existing services and an expansion of the points of access to health care and maintain the quality of that care so as to better serve Veterans throughout the coverage area. The overall goal is to realign services and resources to provide high quality, safe, cost effective care closer to where Veterans live.

Proposed Actions:

At Hot Springs:

- Reconfigure services by closing the inpatient and nursing home units, the operating rooms and urgent care facilities
    - These services would then be purchased at Fall River Hospital and other community hospitals closer to Veterans' homes
- Gradually reduce the number of VA employees in Hot Springs; no VA employees will lose their jobs
- Build a new Community Based Outpatient Clinic with a dialysis unit either co-located with the Fall River Hospital or the State Veterans Home, or free-standing
    - Buy pharmacy, laboratory and x-ray services at Fall River Hospital

In Rapid City:

- Build or lease a new clinic site that will increase our capacity for Veterans by 35% and add x-ray, lab, pharmacy and physical therapy departments
- Build a new Domiciliary (now called a Residential Rehabilitation Treatment Program - RRTP) to replace the existing Hot Springs facility; may be co-located with the new clinic
    - Veterans in this program will benefit from increased access to occupational training, state-of-the-art neighborhood-like facilities and access to job sites and other community services. A new RRTP would also be designed to accommodate more female Veterans and single-parent Veterans with children.

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Appendix A

At Fort Meade:

- Build new Operating Rooms to improve our ability to provide excellent surgical care with state of the art, technologically-advanced operating rooms and support facilities
- Renovate the existing inpatient medicine/surgery unit, relocate the intensive care unit, and build a new sterile supplies processing unit.

Throughout our area of coverage:

- Expand our partnerships with our community health care partners
    - Buy more inpatient and outpatient healthcare services in or near Veterans' hometowns; reduce the distance Veterans travel to obtain services and reduce Veterans' personal out-of-pocket expenses for travel
    - Expand the use of VA nurses as case management and care coordination resources
        - Veterans who already receive care at our VA clinics at Hot Springs, Rapid City or Fort Meade are being cared for by our Patient Aligned Care Teams members, including a primary care provider (a physician, nurse practitioner or physician assistant) and their support staff
        - Veterans who do not receive day-to-day care at one of our VA sites will have a VA nurse to help with referrals for VA and non-VA care and questions and concerns.

How this would be done:

- Through a phased transition of services reaching from 1 – 5 years

Years 1 – 2

- Buy inpatient, nursing home, and urgent care services at Fall River Hospital in Hot Springs and other community hospitals
- Prepare for Domiciliary move to Rapid City; build new facility if approved
- Build a new VA-staffed clinic in Hot Springs

Years 2 – 4

- Occupy the new Hot Springs clinic
- Buy inpatient, nursing home, urgent care services lab, pharmacy, X-ray from Fall River Hospital and other community hospitals

Year 5

- Explore opportunity for repurposed Hot Springs buildings through public, private, and non-profit partnerships; maintain in compliance with National Landmark Status

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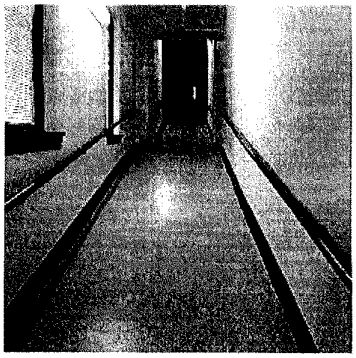
APPENDIX B

SECTION III: EXISTING CONDITIONS



The major interior component that will require a greater level of evaluation and study is the interior ramp system between the two-story arcade hallways and the three story attached ward buildings. While the interior ramp system was truly a cutting edge design component circa 1900, the slope of the ramps does not comply with today's building code or access utility standards.

In our opinion, the VA has done an admirable job in maintaining the interiors of the facilities and as long as the VA continues with the past level of routine maintenance and forecasted interior renovation projects, the interior of all 12 buildings can continue to be very usable.

The following is a brief summary of the significant interior building components rated in the Building and Component System Analysis form.

Floors
Buildings No. 1 through No. 12 have had multiple flooring systems installed over time. Some older systems such as the battleship linoleum and some of the composition tile have held up well for many years. However, the older material has reached a point that it is at or near the end of its usable life. Recent projects have been undertaken to replace the old flooring systems and abatement of the asbestos-containing floor tile is currently underway.

Walls & Partitions
The interior arrangement of most of the buildings has changed over time. However, some of the ward buildings maintain the original open floor plan. Historic plaster walls are evident throughout most of the buildings and vary in condition from good to very poor. Newer drywall or demountable partitions have been utilized to divide larger spaces, and the condition of the partitions systems varies from very good to poor.

Ceilings
A few plaster ceilings still exist within Buildings No. 1 through No. 11. However, those that remain are in good to poor condition. Newer suspended ceiling systems have been installed in most of the buildings, including Building No. 12, and appear to be in good to very good condition for the most recent installations or fair to poor for the older installations.

Appendix B

SECTION IV: COST ESTIMATE EVALUATION

Treanor Architects was provided with background information demonstrating how the previously prepared renovation costs were calculated.

We agree with the following information and assumptions:

- VAMC cost Guide Building Type/VISN 23: VA Midwest Health Care Network, current building construction unit cost per square foot in Hot Springs, South Dakota:
  - Domiciliary Buildings:
    - New Construction = $203
    - Total Renovation = $140
    - Medium Renovation = $91
    - Light Renovation = $48
  - Outpatient Clinic Buildings:
    - New Construction = $281
    - Total Renovation = $216
    - Medium Renovation = $140
    - Light Renovation = $74
- RS Means for typical contractor fees (including general requirements & overhead costs) and contingency:
  - Contractor Fees = 25%
  - Contingency = 10%
- Adjustment for annual inflation or escalation of approximately 4.2%
- Project soft costs are in addition to the costs identified in VAMC Cost Guide/VISN 23

While Treanor Architects did not have the opportunity to participate in meetings with the VA BHHCS staff in order to establish a level of renovation for Buildings No. 1 through No. 12, it is our understanding that renovation work previously completed on the 1st floor of Building No. 5, Women's Dorm, represents the scope and quality desired for the remaining Dorm Buildings. Therefore, based on the condition of the buildings and condition of the existing materials, 'finishes' and features within the buildings observed during the site visit, we believe the VISN 23 cost guide information can be applied for early estimating purposes as long as minor adjustments or increases are made.

It should be noted that if it is the desire for the VA BHHCS staff to modify Buildings No. 3 through No. 11 to fully comply with all building code and accessibility standards, the cost per square foot information identified in VISN 23 may not be applicable as a general rule. Therefore, projects that will include significant ADA upgrades should be estimated based on design solutions agreed to by all parties. Without the agreed upon accessibility solutions and for realistic planning purposes, we believe the VISN 23 cost guide information may not be adequate.

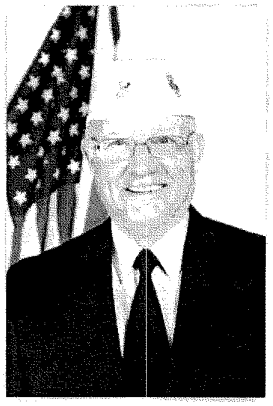
Based on previous projects completed by Treanor Architects and our recent work with other VA facilities on similar scopes of work and similar quality of the finishes, we have experienced construction costs between $125 and $185 per square foot for complete renovations. Adjusting these costs to reflect today's dollars and by adding a slight adjustment factor for additional accessibility work anticipated, we believe the VISN 23 guidelines should be adjusted accordingly for planning purposes:

- Domiciliary Buildings:
  - New Construction = $203
  - Total Renovation = $140 x 25% adjustment = $175
  - Medium Renovation = $91 x 25% adjustment = $114
  - Light Renovation = $48 x 25% adjustment = $60
- Outpatient Clinic Buildings:
  - New Construction = $281
  - Total Renovation = $216 x 25% adjustment = $270
  - Medium Renovation = $140 x 25% adjustment = $175
  - Light Renovation = $74 x 25% adjustment = $93

It is our opinion the VISN 23 guidelines for "Total Renovation" as adjusted above account for the majority of the "D" condition work items and all of the "C" & "D" condition work items identified within the FCA Summary. Therefore, we do not believe the FCA Correction Totals should be added to the estimated costs for construction identified above. The cost information above, however, do not account for Contractor fees (including general requirements & overhead costs) and a contingency factor.

Treanor was also asked to determine whether the general renovation costs identified above will be adequate to account for specific historic preservation requirements often encountered when working with historic or landmark properties. Based on our experience and based on the construction type of the historic buildings and the condition of the historic materials, finishes and features, Treanor believes the VISN 23 cost per square foot guidelines as adjusted above will be adequate to account for any historic preservation concerns. It should be noted that Buildings No. 1 through No. 12 are constructed of high-quality and durable materials. The exterior sandstone, clay tile and heavy timber construction are all in good condition and should require little work at this time. The building interiors are typically high quality, but not highly finished or detailed. Therefore, they are typical materials with which experienced contractors are well versed, and no historic preservation premium should be anticipated.

COMMANDER TIM JURGENS



Tim Jurgens was elected State Commander of The American Legion Department of South Dakota for 2014-2015 during the closing moments of the 96th Annual State Convention in Pierre on Sunday, June 22, 2014.

Commander Jurgens is a 45-year, Paid-Up-For-Life member of Birch-Miller American Legion Post 9 of Milbank. He has served as Post Adjutant and Post Commander, County Commander, District Vice Commander, District Commander and State Vice Commander. He has served on the Department Administrative Committee and Constitution and By Laws Committee. He has served as a member of the National Veterans & Rehabilitation Council and as Vice Chairman of the National Foreign Relations Committee.

Commander Jurgens enlisted in the United States Air Force in 1966 and was honorably discharged in 1970 with a rank of E5, Staff Sergeant. His military career included assignments in Fuchu Air Force Base - Japan, Anderson Air Force Base - Guam and Travis Air Force Base in California.

He earned the title of Tele-Communications Systems Control Specialist and served as a member of the Air Force Communications Service.

Tim spent twenty-five years in the family farm equipment business, Jurgens & Sons, Inc. and in 1997 joined Unzen Motors, Inc., a GM automobile dealership. Tim is currently part owner and sales manager. He works part-time at the business during his retirement transition period.

Commander Jurgens and his wife, Donna, have been married for 40 years. They have four grown children and eight grandchildren. Tim and Donna reside at 14773 SD Highway 15, Milbank, SD.

Introduction

My name is Bob Nelson. I served four years in the Navy and after my discharge in 1974 I began working at the Hot Springs VA Medical Center. After 36 years of serving America's veterans I retired in December of 2011.

This is my written testimony to talk about decisions made by the VA eighteen years ago that have eroded medical services and in many cases eliminated available services and as a result, access to care for veterans wanting to use the Hot Springs VA. Some of these veterans travel 150 miles one way, from rural and highly rural America and from medically underserved areas in southwestern South Dakota, northwestern Nebraska and eastern Wyoming.

In 1996 the VA merged two VA hospitals, the Ft. Meade Hospital in Sturgis SD and the Hot Springs SD Hospital to become the Black Hills Health Care System. I believe that decision and subsequent actions by past and present VA administrators was designed to slowly reduce the access available to veterans that use the Hot Springs hospital for their medical care. The VA disagrees, they contend it has been necessary to reduce services at the Hot Springs VA because veterans in decreasing numbers travel to Hot Springs for their care, in spite of personal testimony from veterans to the contrary. These same veterans say services they have traditionally received at Hot Springs are no longer available, instead they are now expected to travel an additional 90 miles one way to the hospital at Ft. Meade.

Declining Patients

At the time of the merger the comparison of outpatient numbers and inpatient numbers between Ft. Meade and Hot Springs shows Hot Springs with slightly larger numbers for both categories. Admissions at Ft. Meade were 1,661 patients and admissions at Hot Springs were 1,903 patients. Ft. Meade had 66,000 outpatient visits and Hot Springs had 67,463 outpatient visits. The VA contends that patient demographics have shifted and there are now fewer veterans seeking their care at the Hot Springs VA with a corresponding increase in the number of veterans seeking care at the outpatient clinic in Rapid City South Dakota.

Data provided by the VA during their public announcement for the proposed closure of the Hot Springs VA, data provided by the VA from Freedom of Information Act requests and data provided by the VA Office of Facilities and Construction Management suggests otherwise.

The Freedom of Information Act data shows the unique veterans for the CBOC in Rapid City in 2010 was 5,724 and the unique veterans for the Hot Springs Hospital in 2010 was 10,101. Citing data that was four years old during their public announcement in December 2011, Black Hills projected the number of veterans that will be served by Black Hills in 2020 to be a little over 26,000. In May 2013 information provided by the VA Office of Facilities Management that was two years old, projected the number of veterans for 2020 would be 35,388. What's interesting about this increase of over 9,000 veterans is where those additional veterans came from? They came from counting the veterans in Scottsbluff Black Hills had not counted in their

original projection. How could local management not count over 9,000 veterans in their 2020 projections when Black Hills has an Outpatient Clinic in Scottsbluff? Was the VA "cooking the books" with their original veteran projection to support their proposal to close the Hot Springs VA?

The veterans served by the Hot Springs VA have always been rural and highly rural veterans. The following two statements from The National American Legion 2012 System Worth Saving Report on Rural America are worth noting.

- In our findings, we discovered that one out of three veterans enrolled in the VA live in rural and highly rural areas.
- The number of rural and highly rural veterans is expected to increase.

Domiciliary/PTSD

The VA has repeatedly stated another reason for closing the Hot Springs VA is because the majority of veterans that seek treatment at the Hot Springs Domiciliary come from the Rapid City SD area, just 58 miles north of Hot Springs. The following data will disprove that statement and also show past excessive wait times to get into the domiciliary.

Freedom of Information Request 2012-0054 (Signed by Steve Distasio)

Total authorized beds for the Hot Springs Domiciliary - 100.

Additional data from this FOIA request also shows an average daily census for the domiciliary of 76 veterans, 24 veterans below the total authorized beds.

During FY 2010 405 veterans were treated in the Hot Springs Domiciliary. Of those veterans treated, 91% were referred from locations other than Rapid City SD. In FY 2011 329 veterans were treated in the Hot Springs Domiciliary. Of those veterans 92% were referred from locations other than Rapid City SD.

Veterans provided treatment in the Hot Springs Domiciliary come to Hot Springs because of the national reputation for success of the Hot Springs program. This statement has never been disputed by the VA. Former Black Hills Director Pete Henry has tried to spin the reputation of the Hot Springs domiciliary by saying the success of Hot Springs has nothing to do with the domiciliary being located in Hot Springs. The substance abuse and PTSD programs would be just as successful in Rapid City. This statement is always contradicted by the veterans themselves. Veterans have repeatedly told Black Hills management it's exactly the "small town environment" of Hot Springs that helps contribute to their healing. The South Dakota State Veterans home is also in Hot Springs and provides ready access to care for the veterans living there. Hot Springs is the "Veterans Town."

The VA states they need to lease a new domiciliary in Rapid City SD, at a cost of $10 million dollars a year, in spite of the fact that less than 10% of the veterans treated in the domiciliary live in the Rapid City area. The remaining 90% of veterans come from all across the country. In FY 2011 veterans from 26 different states received their care at Hot Springs, and in FY 2010 veterans from 34 different states received their care at Hot Springs. Locations as remote as Puerto Rico, Florida, Louisiana, Massachusetts, South Carolina, Pennsylvania and Washington to name a few have been treated at the Hot Springs Domiciliary. Other VA's continue to refer veterans to the Hot Springs Domiciliary, they recognize the success of the substance abuse and

PTSD programs and yet Black Hills management steadfastly down plays the national reputation. To acknowledge the success of the Hot Springs program runs counter to the VA's intent to relocate the domiciliary to Rapid City.

Freedom of Information Request 2012-0022 (Signed by JoAnn Ginsberg)

Question 1 - Average wait list time to get into the Hot Springs PTSD program broken down by each quarter for FY '10 and FY '11

- FY '10 1st Qtr 92.25 days
- FY '10 2nd Qtr 107.08 days
- FY '10 3rd Qtr 90.10 days
- FY '10 4thQtr 77.03days
- FY '11 1stQtr 112.92 days
- FY '11 2nd Qtr 124.30 days
- FY '11 3rd Qtr 134.19 days
- FY '11 4th Qtr 157.75 days

Freedom of Information Request 2012-0044 (Signed by Stephen R. DiStasio)

Question 1 - Number of Veterans served at the Cornerstone Mission per year from 2008-2011 through the Grant and Per Diem Program

- 2008 - 98
- 2009 - 113
- 2010 - 105
- 2011 - 132

Question 2 - Number of bed days per year (Bed Day of Care) provided by the cornerstone Mission to Veterans through the Grant and Per Diem Program from 2008 - 2011

- 2008 - 6,879
- 2009 - 11,214
- 2010 - 12,693
- 2011 - 12,517

Question 4 - Payment per year to the Cornerstone Mission as a result of the Grant and Per Diem Program

- 2008 - $186,984.74
- 2009 - $303,582.15
- 2010 - $342,588.25
- 2011 - $335,582.80
- 2013 - $761,436.00 (from Rapid City Journal Newspaper article)
- Total - $1,930,173.94

Looking at the data above, the daily domiciliary census is 24 beds below the authorized census, there is an increasing domiciliary wait time from FY 2010 through FY 2011, increasing numbers of veterans in a homeless shelter and a five year cost, of $1.9 million dollars to house veterans in a homeless shelter when the domiciliary has extra beds.

Medical Care Numbers

The following statement comes from the VA's first public announcement of their proposal to close the Hot Springs VA.

Over the past 18 months Hot Springs averages 5 hospital inpatients daily: ***insufficient to maintain staff proficiency over time and stresses recruitment and retention.***

Freedom of Information Request 2012-0054 (Signed by Stephen R. DiStasio)

The response from this FOIA request shows an average daily census of 6.1 inpatients on the 1 East medical ward. What the VA neglects to mention in their statement is inpatients aren't the only veterans provided care on 1 East. This ward is also where the Nursing Home Care patients at Hot Springs are taken care of. The average daily census for those patients is 4.6 patients for a total of 10.7 average daily patients on the 1 East ward, twice the average daily census cited by the VA.

Another question asked on this FOIA is;

Total Number of Patients sent to Ft. Meade, Rapid City Regional Hospital and Minneapolis directly from Hot Springs Urgent Care for a higher level of care or services not available in Hot Springs. (Does not include transfer due diversion) - 198.

This is a direct result of the services at Hot Springs that have been eroded since the merger of the two hospitals.

Freedom of Information Request 2012-0049 (Signed by JoAnn Ginsberg)

How many veterans were provided surgical services in Ft. Meade who are in the main catchment area of the Hot Springs facility?

- 2005 - 254
- 2006 - 284
- 2007 - 420
- 2008 - 275
- 2009 - 251
- 2010 - 337
- 2011 - 450

Not all but many of these surgical procedures were performed at Hot Springs when surgery was fully staffed. Surgery is no longer done at Hot Springs.

Radius of Care Maps

Black Hills Health Care System maintains the majority of veterans in its' catchment area live in or around Rapid City SD so that's where Black Hills should expand their footprint. The attached maps show the significant overlap of medical services available if Black Hills expands in the Rapid City area as planed.

The major medical facilities covered by the overlapping circles on the first map are part of the Rapid Regional Health Care System in Rapid City SD. Hospitals that are part of this Health Care System are Rapid City Regional Hospital, the Sturgis Regional Hospital, the Spearfish Regional Hospital and the Lead/Deadwood Regional Hospital. Veterans in this geographic area already have many options for their medical needs in addition to the Ft. Meade VA Hospital.

The first map focuses on Ft. Meade and Rapid City as the centers of care. This map shows an overlap of well over 50% for hospital coverage with only outpatient coverage in the Hot Springs area because the Hot Springs VA hospital would be closed as part of the VA proposal.

In reviewing the second map with a focus on Rapid City and Hot Springs, the overlap of circles is much smaller demonstrating a better utilization of resources. In this map veterans on the Indian Reservations and veterans in northwestern Nebraska and eastern Wyoming would have care much closer at the Hot Springs VA. This is just another example of the poor planning of the proposal put forth by the VA and the focus by the VA on veterans in the Rapid City area at the expense of the more rural veterans served by the Hot Springs VA.

The geographic areas served by the Ft. Meade and Hot Springs hospitals are different. Very few veterans from Rapid City and the surrounding area use the Hot Springs VA for their care. Most of these veterans use the Ft. Meade VA or the Rapid City CBOC for their care. In contrast most of the veterans who use the Hot Springs VA come from locations south, southwest and west of Hot Springs. These are the rural/highly rural, medically underserved veterans who have much more limited private health care options available. The options available to these veterans typically, are met by rural hospitals with a Critical Access designation. Because the VA wants to reimburse private health care hospitals at Medicare rates, these rural hospitals run the risk of losing money on every veteran they treat. In addition the slowness of the VA to pay their bills, these hospitals are placed at a greater financial risk.

During one of the VA's original town hall meetings in Chadron Nebraska to announce the VA proposal for the Hot Springs VA, Director Distasio in an attempt to assure veterans they would still receive health care at local community hospitals, the administrator of the Chadron Hospital asked Distasio to please pay his current bills before sending him any new patients.

Ambulance Costs

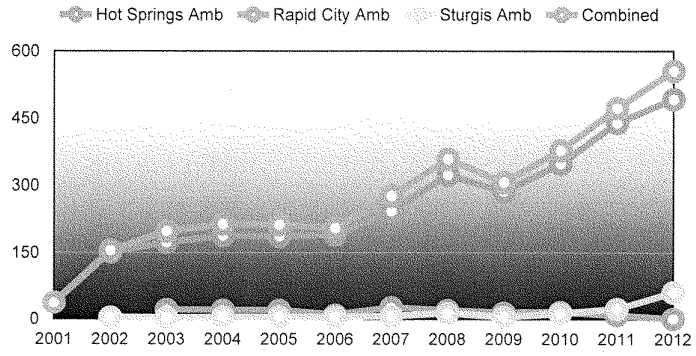
As the services available for veterans at the Hot Springs VA have been eroded more veterans are now transported via ambulance to and from the Hot Springs VA.

Freedom of Information Request 2014-0007 (signed by Daniel Gadomski)

The dollar amounts spent by the Black Hills Health Care System for fiscal years 2001 through present, to pay for ambulance services for the following cities, to transfer veterans from or to the Hot Springs VA.

- Hot Springs Ambulance Service
- Rapid City Ambulance Service
- Sturgis Ambulance Service

For the fiscal years requested these three ambulance services combined for just over 3,300 ambulance trips totaling over $3.3 million dollars. Many of these trips would have not been necessary if services at Hot Springs had not been eroded for the past 18 years. The round trip mileage from Hot Springs to Ft. Meade is 172 miles resulting in 567,600 miles veterans spent in the back of an ambulance instead of in a hospital bed. This is just another result of reduced services at Hot Springs.



Operating Expenses

VA administrators have also cited excessive operating costs as a reason to move the Hot Springs domiciliary to Rapid City and reduce the Hot Springs Hospital to a CBOC.

At the time of their merger the Ft. Meade hospital annual budget was $36.5 million dollars and the Hot Springs hospital annual budget was $31 million dollars. In 2013 former director Peter Henry wrote an article in a local newspaper regarding the VA's proposed merger of these two hospitals. Responding to a comment critical of his article, Henry said, "When we merged the two facilities in 1996, BOTH were among the most cost-efficient facilities in the entire VA." Pete Henry's comment in 2013 is in direct contrast to the VA's public announcement in December 2011 that the Hot Springs VA needs to close because it's too expensive to operate and because of

declining patient use of the hospital. The question that needs to be asked is what happened to one of "... the most cost-efficient facilities in the entire VA" after the merger.

Budget figures provided by VISN 23 in September 2012 show the budget for Hot Springs had increased from $31 million dollars in 1994 to $41.4 million dollars in 2012, that's an increase of $10.4 million dollars or $577,000 dollars per year. The same figures provided by Black Hills show the total budget for Black Hills in 2012 was $171.8 million dollars. The cost to operate the Hot Springs hospital was only 25% of the total Black Hills budget and the VA continues to assert that it's to expensive to operate the Hot Springs hospital.

When the two hospitals merged the newly formed Black Hills management made the decision to distribute funding to the two hospitals based on the gross square footage of the campuses. The gross square footage of both sites is 1.2 million square feet. Management determined that Ft. Meade had 800,000 square feet and Hot Springs had 400,000 square feet so the budget would be split 60% to Ft. Meade and 40% to Hot Springs, but using the gross square footage of each campus for this calculation is misleading. When comparing the square footage of each campus that serves a "direct patient care" function the adjusted square footage for each campus is 432,000 for Ft. Meade and 418,000 for Hot Springs. Based on the adjusted square footage for each campus the budget distribution should have been closer to 50/50. In response to a Freedom Of Information Act request the VA provided data that showed the 2010 Non-Recurring Maintenance budget, the budget that was distributed 60/40, was $9.6 million dollars. The 60/40 breakdown resulted in $5.8 million dollars for Ft. Meade and $3.8 million dollars for Hot Springs. The difference in the Hot Springs budget if calculated over the 18 years since the merger resulted in Hot Springs being underfunded conservatively, by $30 million dollars.

Museum Expenditures

Another example of poor management decisions with funding is demonstrated in a Freedom of Information Request about the museum on the Ft. Meade campus.

Freedom of Information Request 2012-0030 (Signed by Stephen R. DiStasio)

Question 5. V A project numbers for projects to complete work on the buildings leased by the South Dakota National Guard and Ft. Meade Calvary Museum to include HVAC, roads, sidewalks, utility feeds and building upgrades.

Project **568-09-117** for $200,000.00 approved by VISN 23 for Repair Historic buildings on campus. project category: building envelope? (if there were change orders there may be additional costs) This project is listed on the NRM Project application for VISN 23-568 BHHCS-Fort Meade dated 9-12-2009. This project is vague, no specific building listed? It was provided as the response to what project numbers pertain to the Ft. Meade Museum, and the SD National Guard buildings all listed as leased space.

Project **568-11-123** for $155,000.00 approved by VISN 23 for maintenance, repair, and alteration of real property project category: building maintenance and repairs. (if any change orders there may be additional costs). This project is listed on the NRM project applications for VISN 23-568 BHHCS-Fort Meade, dated 5-26-2011. This project lists this work for building 55, Ft. Meade Calvary Museum.

VA BHHCS knew that the lease for the FM Calvary Museum had lapsed, (the only recorded lease for 1997 thru 1999). The VA has allowed this private group, and friends of the past Director to occupy this 11,000 sq. ft. building for 49 yrs. The VA has maintained this space,

provided utilities, and upgrade projects (at the request of the FM Museum group). The FM Museum has a very large collection of community items, privately owned. They charge admission, they sell memberships from $25 to $500 per membership, they sell souvenirs and antiques from the store they operate inside the FM Museum building. They occupy and use the space year round, and are open to the public during the summer months. The only lease that was in place, or that is on record states that the FM Museum group is responsible for building maintenance and Historic Preservation of the building and requires them to pay $240 for the year 1997 to defer the utility costs, and the Director is to determine the costs in the future.

The VA BHHCS also through a past employee decided to enter into a 75 year lease with the SD National Guard. The lease gives the NG soul use of the buildings they occupy. They pay for the utilities while they occupy the buildings (6-8 weeks per year). The VA pays for the utilities the rest of the year. The VA provides road maintenance, grounds maintenance utility maintenance and upgrades to these buildings. They leasing party is responsible for the maintenance and preservation of the buildings.

VA and Federal agency guidelines state that enhanced use leases are recommended, but the EUL must be beneficial to the owning agency. Neither of these leases are beneficial to the Department of Veterans Affairs.

Negotiations with the VA

In late spring or early summer of 2012 Congressional Offices from South Dakota, Nebraska and Wyoming made repeated requests for then Secretary Shinseki to personally visit the Hot Springs VA with the hope his visit to this National Landmark would convince him to rescind the proposal to close the hospital. These repeated requests were eventually denied but Secretary Shinseki instructed management of the Black Hills Health Care System and VISN 23 to meet with representatives from Save The VA, congressional staff for South Dakota, Nebraska, Wyoming and Veteran Service Officers representing the veterans who receive their care at Hot Springs.

The purpose of the meetings was to explore the possibilities of "understanding the Save the VA proposal and to seriously discuss, compare, and contrast with the original VA proposal." Four meetings were held with the general feeling by everyone but the VA, progress was being made toward the goal established by Secretary Shinseki.

On August 31, 2012 the meetings came to an abrupt halt. The feeling of Save The VA is that despite Secretary Shinseki's personal assurance to South Dakota Senator Tim Johnson he had made no decision on the closure of the Hot Springs VA, Dr Petzel, then Under Secretary for Health at the VA instructed VISN Director Jan Murphy to put an end to the meetings, the VA would be proceeding with their original proposal. Below is an email chain addressing this issue.

From: Al-Haj, Qusi (Thune) [mailto:Qusi_Al-Haj@thune.senate.gov]
Sent: Monday, September 17, 2012 02:13 PM
To: Murphy, Janet P (SES); Shoemaker, Darrell; DiStasio, Stephen R (SES); Dodson, Debra C
Cc: Kunze, Karen (Johnson) <Karen_Kunze@johnson.senate.gov>; brad.otten@mail.house.gov<brad.otten@mail.house.gov>; k_meston@yahoo.com<k_meston@yahoo.com>; richgr@gwtc.net<richgr@gwtc.net>; sodakvet@gmail.com<sodakvet@gmail.com>; roger_lempke@johanns.senate.gov ('roger_lempke@johanns.senate.gov') <roger_lempke@johanns.senate.gov>

Subject: RE: Email to Black Hills Employees

Hello Jan and Steve,

Following up on Thursday's conference call- Jan, my understanding was that you were planning on having a conversation with DC and would let us know by Friday what came out of it in order for us to determine the way forward. Thanks.

From: Murphy, Janet P (SES) [mailto:Janet.Murphy4@va.gov]
Sent: Wednesday, September 12, 2012 1:15 PM
To: Shoemaker, Darrell (Johnson); DiStasio, Stephen R (SES); Dodson, Debra C
Cc: Kunze, Karen (Johnson); brad.otten@mail.house.gov; Al-Haj, Qusi (Thune); k_meston@yahoo.com; richgr@gwtc.net; sodakvet@gmail.com
Subject: Re: Email to Black Hills Employees

All - I will take responsibility for creating language confusion at our meeting on Monday. We will be sharing with VACO insights gathered from all of our activities over the past 8 months as well as recommendations for a way forward
Let's talk in more detail on our call tomorrow. My apologies for the confusion.
Jan M

From: Shoemaker, Darrell (Johnson) [mailto:Darrell_Shoemaker@johnson.senate.gov]
Sent: Wednesday, September 12, 2012 11:11 AM
To: DiStasio, Stephen R (SES); Murphy, Janet P (SES); Dodson, Debra C
Cc: Kunze, Karen (Johnson) <Karen_Kunze@johnson.senate.gov>; brad.otten@mail.house.gov<brad.otten@mail.house.gov>; Al-Haj, Qusi (Thune) <Qusi_Al-Haj@thune.senate.gov>; Karen Meston (k_meston@yahoo.com) <k_meston@yahoo.com>; Rich Gross (richgr@gwtc.net) <richgr@gwtc.net>; Bob Nelson (sodakvet@gmail.com) <sodakvet@gmail.com>
Subject: FW: Email to Black Hills Employees

It has been brought to our attention the following e-mail from the VA to Black Hills VA employees.

We are concerned that if no recommendation was planned or will be made, then why have VA employees been informed as late as August 31 that "it will soon be time to rewrite the proposal into a recommendation to be forwarded to VA Central Office".....and that "the recommendation will likely be forwarded in September" with no time table for a "decision". If my recollection of Monday's conversation was correct, there would be no rewrite or recommendation, only insights and that there would be no decision, only that "the Secretary's plan" would move forward. Again, the information below to VA employees appears to reinforce the assumptions and understanding that everyone had regarding the process.

What changed between August 31 and September 10?

From: Beck, Angela G. **On Behalf Of** DiStasio, Stephen R (SES)
Sent: Friday, August 31, 2012 12:15 PM
To: VHAFTMEmployees; VHAHOTEmployees
Subject: Update about the Future State Proposal

I would like to share some updates on our Future State proposal. Since the formal feedback period ended on June 30, VA Black Hills and VISN 23 leaders have been engaged in a series of meetings with the Save the VA group, our Veteran service organizations and the Congressional delegations. The purpose of the meetings has been to understand the depth and breadth of all of the alternative proposals received.

To support the understanding of the Save the VA proposal the VISN 23 CFO has been working with the Save the VA representatives to complete an operating cost analysis of their proposal. In addition, the VA has contracted with Jones, Lange, Lasalle (JLL) and Treanor Architects for a capital cost analysis of the Save the VA proposal. JLL and Treanor Architects were recently on-site in Hot Springs to assure the historic preservation aspects of the VA proposal and the Save the VA proposal were appropriately addressed.

With the completion of the operating and capital costs analyses and stakeholders meetings approaching it will soon be time to rewrite the proposal into a recommendation to be forwarded to VA Central Office. The recommendation will likely be forwarded in September. We do not know at this time when we can expect a decision.

As always, you have been gracious and responsive to the guests we have had during this process … thank you. And thank you for what you do every day for our Veterans.

Have a safe Labor Day week-end holiday whether your time off is these weekend days or some later date.

Steve

Email from Save The VA

The following letter from one of the members of the Save The VA team at those meetings was sent to VISN 23 Director Jan Murphy asking for clarification about the sudden change in the tone of the meetings.

To:

I wanted to take this opportunity to provide feedback about the end of the meeting yesterday. To say that it went in an unexpected direction would be an understatement. From the beginning of the process, it was our understanding that the "Save the VA" proposal would be seriously discussed, compared, and contrasted with the original VA proposal. It was also my understanding that the VA along with the representatives of the Save the VA group would participate in a possible reconfiguration of the original VA proposal for a possible blending of concepts, ideas, and initiatives that were in the best interests of veterans, the communities involved, and the VA system.

In fact, our original concept was to take our ideas directly to the Secretary's attention along with additional comments from our Congressional delegation. I was assured in subsequent conversations that the more prudent approach was to work through a process of discussion and negotiation prior to a meeting with the Secretary. At that time, VA representatives indicated that one of three outcomes would occur: the VA and Save the VA would agree on a blended joint recommendation to be sent to the Secretary; we would agree on a partial joint proposal and take elements that we couldn't agree on separately to the Secretary; or we would agree that any joint proposal was not possible and move forward based on that understanding.

In our discussions with our Congressional delegation staff members, VA representatives, and others we agreed to the approach we thought we'd been following the last few months. Today, it appears that it was never the intention of the VA to seriously consider any type of negotiated joint proposal. In fact, we were told that VISN 23 did not have the ability to change their proposal, but only to provide "insights" concerning the Save the VA proposal. I believe something has changed from the beginning of the proposal until now. I would not like to think that the VA was being disingenuous with the community, the Congressional delegation and others who had the same understanding as I did.

If it was never the intention to possibly reconfigure the original VA proposal then why did the VA hold community forums? Why were we invited to participate in any discussions? The VA could have done a cost analysis on the Save the VA proposal without our participation. At our previous meetings we dealt with other proposals, incorporating some of their elements into our proposal. What was the purpose for that activity? What was the purpose of charting our respective proposals and beginning to at least move some concepts between them? All of that activity led us to believe we were beginning to work together. Again, I'm curious as to what occurred between the last meeting and this one?

As we were told by VA representatives, any proposal of merit was not just about dollars. It was also about ideas and initiatives impacting the future care of veterans. Yet, today it seemed that it was only about dollars. We were prepared to listen to the presentations today, look at what modifications would need to be made in order to move toward a joint proposal. That was the tenor of previous conversations. We never expected that the VA would simply replace their

proposal with ours; however we were expecting a more serious level of discussion and negotiation.

In all of my experience with facilitating and leading negotiations between parties, I've never seen anything equaling the level of misunderstanding about outcomes that occurred today. If I failed to understand your original intentions, please help me to understand where that occurred.

Given what occurred today, I'm not sure there would be any value in any conference call later this week to deal with cost related questions. I'm not sure how it would impact the outcome that apparently is already determined. If there would be value in a future meeting, we would need to understand the purpose and potential outcome of such a meeting.

Finally, today is Patriot's Day. In Hot Springs we're observing the day with a program this evening. I've been asked to provide an update on progress between the community and the VA. Many of us put a lot of our credibility on the line when we advocated the negotiation approach with the VISN. I stood before more than 300 people back in June and told them this was the correct and honorable approach. What can I tell them tonight? That we misunderstood the process? Your advice would be most welcomed.

Thank you for your consideration of my thoughts and concerns. As always, I'm available to respond to any questions or comments.

Sincerely,

Rich Gross

CBOC's Have Their Place

Since the news surrounding the Phoenix VA broke, much of the public discussion has centered on expanding services to veterans through private health care. In rural America private health care and CBOC's go hand in hand. CBOC's are essentially doctor's offices, open 9 to 5, Monday through Friday excluding government holidays, but they should not be a feeder system into private health care. CBOC's to the maximum extent possible should have a VA hospital close by to refer veterans to for care not available at the CBOC.

Private health care professionals on a daily basis don't see the types of medical conditions unique to veterans and private health care is not familiar with or prepared to deal with issues surrounding disability claims.

Everyday across America veterans tell of the quality care they receive at VA hospitals. They look forward to reliving their individual stories of military life. The retelling of these shared experiences in many cases is as therapeutic as the care provided by the medical professionals themselves. The Hot Springs VA, out here in rural America, is such a place. Ask any veteran that uses it for their care.

Epidemic of VA Mismanagement

During testimony on May 15, 2014 in a hearing of the Senate Veterans Affairs Committee, Senator Johanns asked then Secretary Shinseki if he was aware of a map prepared by the National American Legion that identified VA's across the country the American Legion is concerned about. Below is a statement from that American Legion Map.

Construction and resource allocation concerns

In addition to preventable patient deaths, The American Legion has voiced concern over other mismanagement issues. In Orlando, Fla., New Orleans, Denver and Las Vegas, massive mismanagement of construction contracts result in four major projects that were $1.5 billion over budget and were delayed an average of 35 months. Once completed, the Las Vegas hospital lacked an ambulance bay for their Emergency Room, requiring an additional $16-25 million in funding to repair the grievous oversight.

In Hot Springs, S.D. The American Legion supports local veterans' protests against the shutdown of a VA medical facility which would require patients in rural areas to travel to a distant facility for care.

The American Legion used different colors on the map to represent the seriousness of their concerns, with red being the most serious. The Hot Springs VA is one of the hospitals on the map with a color of yellow representing mismanagement issues.

Sadly two months later Black Hills Health Care System is another one of the VA's that has been found to manipulate numbers. Black Hills management has graduated from "mismangement" to deliberate manipulation. Hot Springs should now be one of the red states on the American Legion's map.

Christopher Doering, Argus Leader Washington Bureau *11:05 p.m. CDT July 28, 2014*

> WASHINGTON – An internal audit by the VA found almost 14 percent of schedulers at the Black Hills Health Care System said they were instructed to change the waiting times after a veteran first requested an appointment.
>
> The audit of VA operations in the Black Hills system determined "staff were instructed to manipulate" a patient's request to make it closer to the next available appointment.
>
> "The scheduling issues raised by the VHA audit are very serious, and I am particularly concerned about the problems pointed out at the Black Hills VA," Sen. Tim Johnson, D-S.D., said.

Summary

For eighteen years the Hot Springs VA has had to endure management decisions that have placed the Hot Springs VA on the path to eventual closure. In September 2011 concerned veterans and employees of the Hot Springs VA contacted South Dakota's Congressional offices to raise the alarm about what they believed the VA was up to. South Dakota Congressional staff contacted the VA and was assured nothing was "afoot." It was only after repeated inquires over several months the VA finally acknowledged their "proposal" to realign services within the Black Hills Health Care System.

Since December 2011 it has been a constant struggle to get answers from the VA. The VA say's, based on their data, their confident with the decision they have made regarding the "proposed" realignment. The word I would use is arrogant. Chairman Miller, you and your committee struggle on a daily basis trying to get answers from the VA. You understand the entrenched bureaucracy within the VA and the difficulty getting the VA to change directions must less admit they have made a bad decision.

Hot Springs has been fighting to keep what was once a robust full service hospital open. The unfortunate circumstances surrounding the Phoenix VA have highlighted the need to expand

services available to veterans. How that expansion of services is achieved by closing a rural hospital veterans have depended on for 107 years boggles the mind.

The numbers I've spoken about come from Freedom of Information Requests and former VA employees. One employee in particular retired in December of 2013. This employee served three years in the Army and retired after 30+ years of service at the Hot Springs VA. At the time of his retirement he was the Historic Preservation Officer at the Hot Springs VA. Over the last three to four years he was part of numerous conversations and meetings with Black Hills administrators and warned them about the course they were on. In true VA fashion they ignored his warnings. Black Hills had its mission and it was "full speed ahead." He's willing to speak with your committee to answer any additional questions you may have.

Black Hills wants to marginalize veterans. They have reduced us to green dots on a power point slide. They steadfastly refuse to look past their data and see us as someone's mother, father, son, daughter, sister or brother.

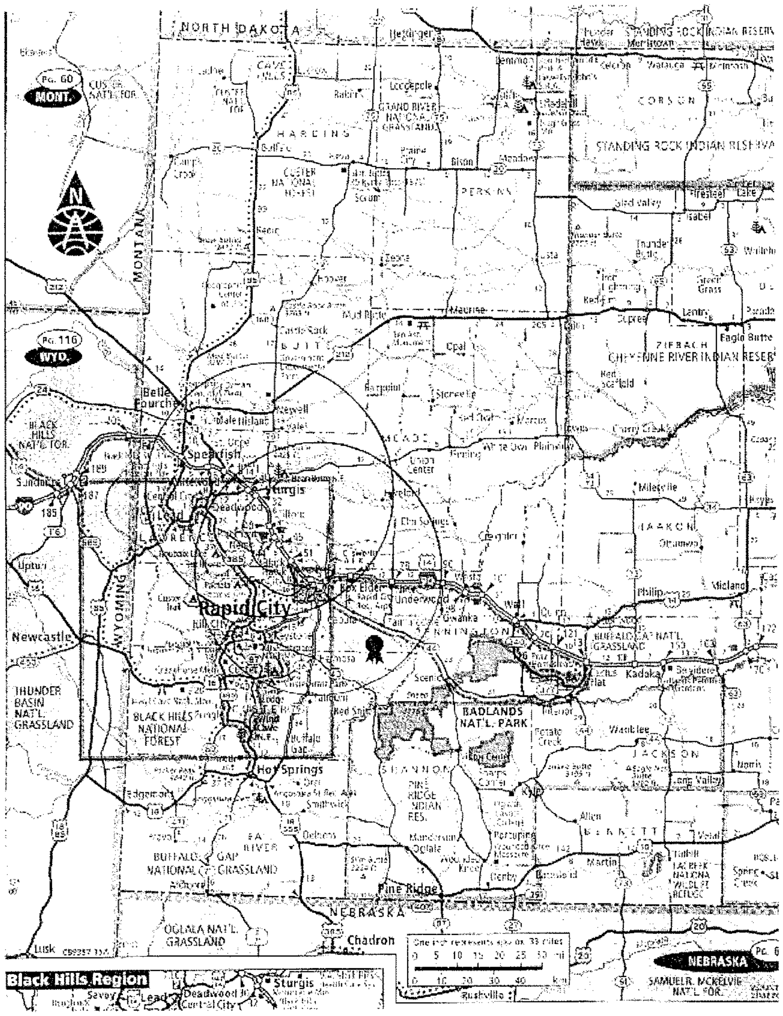
The employees of the Hot Springs VA who work everyday under difficult circumstances to provide care to America's Veterans are the victims of friendly fire, wounded by the very administrators entrusted to care for veterans.

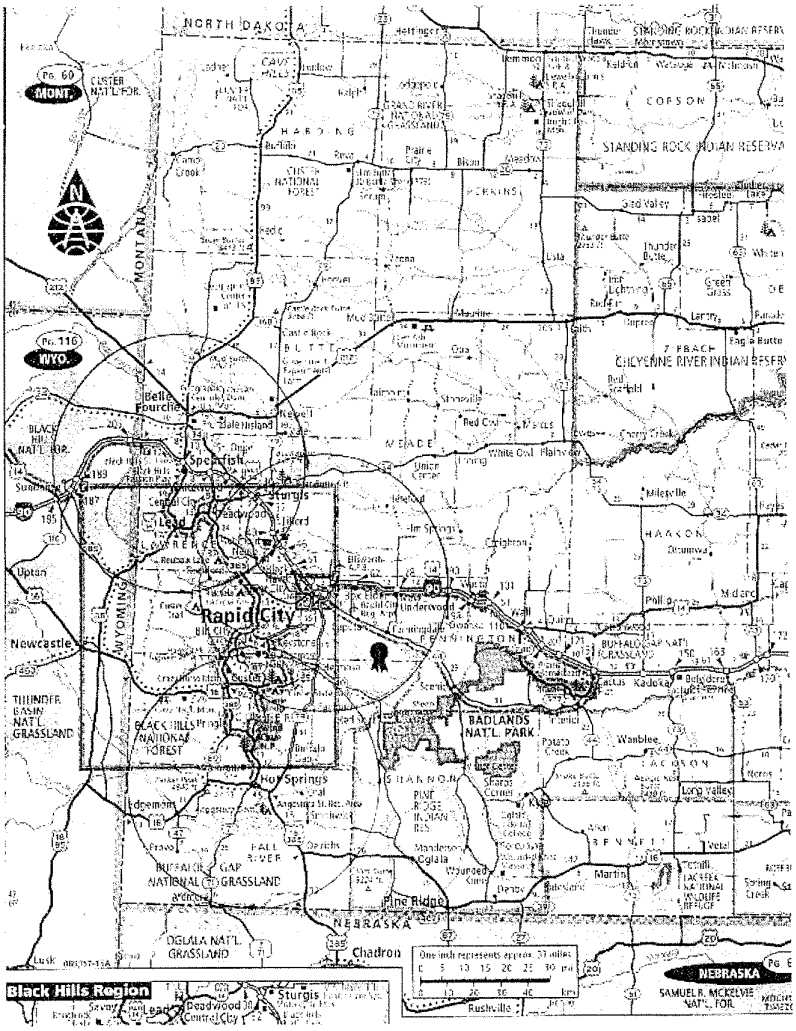
Chairman Miller, on behalf of veterans who want to continue to use the Hot Springs VA, we need your committee's help. This has never been a "proposal" by the VA, the VA is moving forward with their plan. If the VA isn't stopped they will close the Hot Springs VA.

Local VA management for 2 ½ years has repeatedly heard from the veterans that use the Hot Springs Hospital but the VA continues to turn a deaf ear to these veterans concerns. At town hall meetings and Environmental Scoping Meetings, overwhelmingly veterans have told Black Hills management they want the Hot Springs VA to remain open. Black Hills management is either unable or unwilling to stand up for the veterans they are charged to serve. Maybe, they just don't know how.

Now is the time to follow the lead of the National American Legion and call for a change in the current management of the Hot Springs VA. Veterans who want to continue to receive their care at Hot Springs and Hot Springs employees deserve better than an administration that has taken what was once a fully functional hospital and reduced it to little more than a transfer station to other hospitals. Veterans who depend on the Hot Springs VA for their care deserve administrators who understand the needs of rural veterans.

Robert Nelson
Navy Veteran
Retired VA Employee
405 Albany Avenue
Hot Springs, SD. 57747
605.745.5031


NORTH DAKOTA
MONTANA
WYOMING
Belle Fourche
Spearfish
Sturgis
Rapid City
Newcastle
Hot Springs
BADLANDS NAT'L. PARK
NEBRASKA
Pine Ridge
Chadron
Black Hills Region


NORTH DAKOTA
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Sturgis
Spearfish
Deadwood
Lead
Hot Springs
Newcastle
Chadron
Pine Ridge
Belle Fourche
Black Hills Region
BLACK HILLS NATIONAL FOREST
BADLANDS NAT'L. PARK
BUFFALO GAP NATIONAL GRASSLAND
OGLALA NAT'L GRASSLAND
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CHEYENNE RIVER INDIAN RESERV
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NEBRASKA

Testimony of Amanda Campbell

Rural Access and the potential closure of the Hot Springs VA, Hot Springs SD

August 12, 2014

Upon the December 2011 announcement from the Black Hills VA management that the Hot Springs facility (Battle Mountain Sanitarium or BMS) would close, concerned individuals and groups began to question the VA about their lack of compliance with the National Historic Preservation Act (NHPA). Despite having a comprehensive and well written handbook (*VA Directive 7545*) and procedural manual for conducting Cultural Resources Management, the Black Hills VA management acted as if compliance with the NHPA and the National Environmental Policy Act was unfamiliar and optional. Prior to this announcement and in an attempt to comply with historic preservation standards, VA Central Office, conducted an assessment to determine which of their facilities across the country were historically significant. It was determined that BMS was amongst the highest ranking historic structures and was the only historic hospital remaining still serving as a medical center. National Trust for Historic Preservation nominated the BMS as a National Historic Landmark (*Meeting Notes 1/20/2012).* As a response to this line of inquiry, the Black Hills VA hosted a Section 106 meeting kick off meeting in June of 2012. This meeting coincided with the announcement that the Battle Mountain Sanitarium was designated a National Historic Landmark. In attendance were:

- various VSOs
- representatives from the Black Hills VA staff, VISN VA Staff, and Washington Office VA Staff
- Field Officer of the National Trust for Historic Preservation
- SD State Historic Preservation Officer and various staff
- Program Analyst from the National Advisory Council on Historic Preservation
- City and county officials
- Save the VA Historic Preservation Committee members

This daylong meeting was professionally facilitated by Claudia Nissley. The VA opened with a presentation citing the lack of patients and the compromised structural integrity of the facility as the reason for closure. In that meeting, Black Hills VA representative Dr. Andrea Conti was asked the following questions and provided the corresponding responses:

- What type of facility and what structural features are necessary to meet the medical needs of veterans?
    - Answer: Dr. Conti could not answer this, but did make reference to written standards.
- In what ways is the Hot Springs facility deficient and compromising health care?
    - Answer: Dr. Conti suggested ADA compliance is an issue and the facility is outdated.
- What types of facilities does the VA have planned elsewhere or at Hot Springs to provide care to veterans?
    - Answer: Dr. Conti was unable to provide an answer to this question.

State Historic Preservation Officer Jay Vogt made it clear that there are state experts willing and tasked with the responsibility to help consult, plan, design, and update the existing Hot Springs facility into a state of the art facility geared towards veteran care. Vogt commented that this is one of the purposes of the Section 106 process. Jenny Buddenborg of the National Trust for Historic Preservation also reiterated their role as a consulting party and reminded the attendees that BMS is exceptionally significant since is still being used for it is original intended purpose.

National Advisory Council Liaison Brian Lusher asked the VA representatives if they intended to complete the Section 106 process. The response from VA representatives was that they "hadn't made that determination yet." Lusher encouraged that representative to seek legal counsel for the agency.

This meeting reinforced several key points that summarize the VA's behavior regarding BMS.

- The VA is in violation of Section 106 and Section 110 of the National Historic Preservation Act
- The VA did not successfully initiate the NEPA process in time.
- VA staff is inadequately trained, ill prepare and misinformed regarding laws, orders, and regulations directly related to the successful operation of a federal agency.
- Aside from decommissioning the Hot Springs Facility, the VA either does not have a plan for quality care in the Black Hills, or chooses to remain opaque about this plan.
- The VA had not conducted a feasibility study to determine what the cost of renovating would be.
- The VA had not conducted a structural assessment do determine the condition of the structure.

Subsequently, little has been done regarding compliance with the NHPA since that meeting over two years ago. The Black Hills VA did have an employee assigned with the collateral duties of Cultural Resources Program manager, responsible for Section 106 and NEPA advisory. This employee had successfully conducted their responsibilities for several years and enjoyed a consistent and productive relationship with the State Historic Preservation Office (SHPO) and other consulting parties. Upon advising their direct line supervisors of the need to complete Section 106 and NEPA regarding the closure, this employee's work load as a Cultural Resource Program manager was significantly reduced. He was told that other individuals would be handling that work load.

In 2013, and after significant questioning from staff, the community, and congressionals, The Black Hills VA inquired into conducting the NEPA process and the Section 106 compliance work simultaneously. Several individuals and groups responded, including the National Trust for Historic Preservation, the National Park Service, the State Historic Preservation Office, and the National Advisory Council. None of these consulting parties responded favorably. The concept of combining the two independent assessments is costly and time consuming. Furthermore, there has not been a federal case of this complexity that has successfully completed a combined process.

Since the initiation of the Section 106 process in June of 2012, there has been no movement. In March of 2014, it was revealed that the NHPA and NEPA processes would be combined and subcontracted from

LaBatt to SWCA during the NEPA process. Recently, the SD SHPO office reiterated the following (*Spencer Email 8/12/14*):

- *"SD State Historic Preservation Office does not feel the Black Hills Regional VA Medical Center* [management] *is being fully transparent and open about the EIS process as regards the potential Hot Springs VA closure. We have expressed our disappointment that the VA has made the decision to combine NEPA with the NHPA process, despite the fact they have no previous record of successfully combining these important processes in an effective manner. We believe this decision was made primarily for expediency.*

- *We strongly disagree with statements from the VA that the Battle Mountain Sanitarium is no longer an economically viable structure to host inpatient or outpatient services, as this structure is sound, ADA compliant, and could continue to serve for decades to come as a medical treatment facility with minimal cost investment. This facility is one of only three non-archeological National Historic Landmarks in our state, with a rich and proud tradition of serving as a place of healing and recuperation of our veterans. It therefore deserves to have an open, honest, and thorough evaluation of the structure's ability to continue to serve as a medical treatment facility after specific rehabilitation measures are taken.*

- *Mr. DiStasio has stated previously that his office is a "customer", and will await the report of their contractor on the results of the EIS. SD SHPO feels this is a gross misunderstanding of the VA's responsibility and oversight role within the EIS process.*

- *SD SHPO expects periodic status updates and progress reports (as one of the primary consulting parties) on all activities undertaken during the EIS process, to include public scoping meetings, but to date has not received any formal communications from the VA on the status of the process."*

Executive Orders

By moving forward with the plan to decommission the BMS, the VA will be violating several Executive Orders:

Executive Order No. 13006: Locating Federal Facilities on Historic Properties in Our Nation's Central Cities

Section 1 of this Executive Order references Executive Order N. 12072 to strengthen cities by encouraging the location of Federal facilities in our central cities. It promotes the NHPA and the Public Buildings Cooperative Use Act of 1976 to acquire and utilize space in suitable buildings of historic, architectural, or cultural significance.

Section 2 of this order suggests when locating Federal facilities, Federal agencies shall give first consideration to historic properties within historic districts.

Section 3 of this order encourages removing regulatory barriers and encourages the agency to seek the assistance of the Advisory Council on Historic Preservation when taking these steps.

Section 4 promotes "*Preservation Partnerships. In carrying out the authorities of the National Historic Preservation Act, the Secretary of the Interior, the Advisory Council on Historic Preservation, and each Federal agency shall seek appropriate partnerships with States, local governments, Indian tribes, and appropriate private organizations with the goal of enhancing participation of these parties in the National Historic Preservation Program. Such partnerships should embody the principles of administrative flexibility, reduced paperwork, and increased service to the public.*"

In review of this Executive Order, we are reminded that not only is the BMS a National Historic Landmark, but it is also the cornerstone of the Hot Springs Historic District. A-2 of the VA Directive 7545 highlights this executive order.

Executive Order No. 11593

This executive order requires federal agencies conduct adequate surveys to locate "any" and "all" sites of historic value. Also, this order directed agencies to reconsider any plans to transfer, sell, demolish, or substantially alter any property determined to be eligible for the National Register and to afford the National Advisory Council on Historic Preservation an opportunity to comment on any such proposal. Lastly, this Executive Order requires agencies to record any listed property that may be substantially altered or demolished as a result of Federal action or assistance and to take necessary measures to provide for maintenance of and future planning for historic properties.

In review of this executive order, it is noted that the Black Hills VA has not conducted the adequate studies to locate and assess any sites of historic value. Secondly, the Black Hills VA has not reconsidered its plans to decommission BMS, and they have been negligent in consulting with the Advisory Council. Lastly, in the December 12, 2011 meeting where VA Management announced the proposed closure of the HS VA, VISN 23 Director Jan Murphy completely shirked the VA's stewardship role and stated that"

it would be up to the City" to repurpose the BMS facility. Despite moving forward with their plan to decommission, VA management has not taken any measures to consider let alone provide maintenance and future planning for BMS. VA Directive 7545 (Appendix 2) also highlights this executive order.

Executive Order No. 13007: Indian Sacred Sites

This Executive Order provides protection to Native American religious practices and directs Federal agencies to accommodate Native Americans' use of sacred sites for religious purposes and to avoid adversely affecting the physical integrity of sacred sites.

The Battle Mountain landscape has been declared a sacred site on account of the hundreds of years of healing that occurred there prior to the construction of the BMS. BMS itself has been declared and blessed a sacred site on three separate occasions. The first was at the opening of the sweat lodge as a healing place for Native American veterans. The second was during remodeling, and the third was on February 25, 2015, upon the announcement of the Resolution of the local tribes to keep the BMS open. Should the BMS close, it is possible that Native Americans will loose access to these sacred sites. This Executive Order is also outlined in VA Directives 7545, Appendix 2. Should the VA decommission the BMS, it would be a violation of Executive Order 13007.

Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations

This Executive Order suggests that Federal actions may have an adverse effect socially, culturally, and environmentally on minority populations and on low income populations. This order requires federal agencies to consider these impacts and minimize them.

Should the Hot Springs VA close, a significant population of Native American veterans would lose access to health care. Decommissioning BMS would result in a violation of EO12898.

Historic Preservation Measures

In 2012, the VA's own staff proposed an Innovations project that addressed three issues: the care of older VA facilities, housing and training for homeless veterans, and training for veterans enrolled in substance abuse, PTSD, and other treatment programs.

Review of the proposal was met with great success. The VA promoted the proposal for multiple reviews. In April, June, and September of 2012, and into March, May and June of 2013, it appeared that this was a proposal that was highly supported and moving forward with enthusiasm. In late July, the Office of Construction and Facilities Management (CFM) notified Hot Springs facility that despite the previous enthusiasm and planning, the Innovation project would not be moving forward at Hot Springs. The letter cited the current political climate at Hot Springs as the reason for reconsideration. It was also noted that the program would significantly help veterans and that they'd like to pilot the program at the Walla Walla, Washington facility.

Citing the *"political climate"* as a reason for reconsideration is obviously an insulting and frustrating blow to the veterans, employees, and communities in the Hot Springs catchment area. This continued neglect is promoting an adverse and negative impact on the very people the VA is responsible for. Furthermore, while we hope to see the program successful, the Hot Springs facility is a National Historic Landmark, a National Treasure, and listed on the National Register. The Walla Walla facility is only considered potentially eligible. The program was created and designed around the expansive opportunities at the Hot Springs facility, and by Hot Springs VA employees. Given the VA's required commitment to meeting National Historic Preservation Standards for managing a National Historic Landmark, it would have made the most sense to invest CFM dollars appropriately into the facility at Hot Springs. The added benefit of providing training and housing for homeless veterans, and veterans seeking treatment, is immeasurable.

The Congressional Delegation for South Dakota submitted a letter to the Black Hills VA management requesting a response regarding this reconsideration. Black Hills VA Management never responded to the inquiry.

In 2011, the Black Hills Health Care System cited a variety of reasons for decommissioning BMS. Many of these reasons dealt directly with the facility.

- Quality care cannot be offered in the historic layout of the Hot Springs Facility
- BMS is not ADA compliant
- The facility is in poor physical condition
- Rehabilitating an old facility to meet historic preservation standards is too costly

I'd like to address these comments individually:

"Quality care cannot be offered in the historic layout of the Hot Springs Facility".

While the recent Mental Health Facility construction guidelines are different than the historic lay out at BMS, that has not prohibited patients from receiving quality care ((http://www.cfm.va.gov/til/dGuide.asp). Furthermore, some may attest that the legacy of healing in the BMS facility promotes healing, more so than in a new and sterile environment. Additionally, the BMS facility has excelled at all inspections, including IG, JCH, and CAP. In 2012, BMS was awarded a three year accreditation from CARF. The Substance abuse, PTSD, and CWT programs were recognized as superior. Despite this varying opinion of layout, the BMS continues to heal and heal well on a daily basis.

"The Hot Springs facility is not ADA compliant."

The facility that has housed the RRTP has been ADA compliant since the 1970s. Black Hills VA management is contending the entire facility must be ADA compliant. It is believed that this is being used as a measure to insist on new construction versus rehabilitation the existing structure. The ADA regulations and historic preservation regulations suggest that only areas where patients receive care or reside need to be ADA compliant. This is certainly the case already at BMS.

"The Hot Springs facility is in poor physical condition."

Until August of 2012, VA management made these statements without actually conducting a structural assessment. Furthermore, Jones Lang and LaSalle (a real estate firm on a national VA IDIQ contract), had made several suggestions regarding Enhanced Use Leases or Repurposing of the BMS facility. JLL made these determinations without ever setting foot on the landscape in Hot Springs. The information used to create these suggestions were based on poor data and information JLL received from VA Management. At the midst of pressure from the National Trust for Historic Preservation and the Save the VA committee, JLL subcontracted Treanor Architects to conduct a one day onsite conditions assessment of the BMS facility. Unfortunately, JLL was under a contractual deadline with the VA and wasn't able to provide Treanor Architects enough time to complete a full assessment of the campus. Despite the time limitations, Treanor produced a quality assessment, the first of its kind, reviewing buildings 1-12 *(Treanor, 2012)*. Treanor Architects was chosen based on their past experience with VA facilities, historic structures, and masonry structures.

The results of the Treanor report revealed that Buildings 1-12 are in much better shape than many of the VA's 20 and 30 year old facilities. Furthermore, NONE of the buildings were in poor condition, as indicated by VA management. In fact, the Hospital itself, was rated in excellent condition.

Building	Interior Condition	Exterior Condition
1 Administration	Very Good	Very Good
2 Dom, Kitchen, EMS	Good	Very Good
3 Dom, AMMS, Fiscal	Good	Very Good
4 Dom, Vacant	Good	Very Good
5 Dom, Canteen	Good	Very Good
6 Dom, Warehouse	Good	Very Good
7 Dom, Arts and Crafts	Good	Very Good
8 Dom Quarters, Recreation	Good	Very Good
9 Protestant Chapel	Fair to Good	Very Good
10 Catholic Chapel	Fair to Good	Very Good
11 Auditorium	Good	Very Good
12 Hospital	Excellent	Very Good

"Rehabilitating an old facility to meet historic preservation standards is too costly."

The concept that rehabilitation expenses are more costly than new construction is not an uncommon misnomer. In many situations, when a structure's integrity is compromised by the elements, it can be costly to rehabilitate. However, in the case of the BMS, this facility is in superior shape already. Treanor Architects also commented on this by stating that the materials are "typical materials with which experienced contractors are well versed, and no historic preservation premium should be anticipated."(Treanor, 2012).

A Department of Defense study in February of 2013 confirmed that the rehabilitation of masonry buildings constructed prior to WWII are more cost effective than new construction or rehabilitation of new structures *(DOD, 2013)*.

Summary

In summary, it is obvious that the Black Hills VA has moved forward with their plan to close the Hot Springs VA. This action has been done in violation of several laws and regulations, and with a general ambivalence to a history much greater than the current problems faced by the VA. The research and data collection necessary to support such an action has not been completed. The actions currently being implemented through the EIS process is simply an exercise in box checking and is pre-decisional in an attempt to expedite the path to closure. Should this closure occur, this blatant negligence will not only cost the VA huge amounts of money in new construction and maintenance of an abandoned

National Historic Landmark, but it will also compromise the care of thousands of veterans in the catchment area as well as veterans that travel great distances to seek RTTP and Dom care at the Hot Springs VA.

Statement *of Patrick Russell, Co-chair of the Hot Springs Save the VA Committee*

I am Patrick Russell, President of the American Federation of Government Employees Local 1539 representing the employees of the Hot Springs VA Medical Center, an army veteran and Co-chair of the Hot Springs Save the VA Committee.

Little to no analysis was conducted prior to making the decision to close the Hot Springs, South Dakota VA Medical Center and replace it with a Community Based Outpatient Clinic (CBOC) and move the 100 bed treatment facility to an urban area in Rapid City, South Dakota. All subsequent analysis appears to cherry pick the data to support this predetermined proposal. The proposal itself appears to consist solely of a power point presentation, as the Freedom of Information Act (FOIA) requests submitted by the Save the VA Campaign did not produce any documents which supported the VA's assertions of economy or quality of care.

Despite the fact Dr. Petzel states in his September 14, 2012, testimony to a congressional subcommittee that VA care is the first choice, it appears from VA BHHCS' management decisions the first choice is to contract services with the private sector. That is what their proposal states. This is already reflected in the astronomical contractual fees being paid out by VA BHHCS. For example, the amount of money paid to the Hot Springs ambulance service has risen from $77,736 2001 to over a half million dollars per year in 2011 per FOIA request 2012-0038.

Many of the services previously provided at HS VAMC have been discontinued, forcing veterans to travel an additional 90 minutes. For example, colonoscopies and other routine preventive procedures were provided at HS VAMC as recently as two years ago. There have been no provisions made to provide services closer to home. In fact, all that has been accomplished is the ability of VA BHHCS Administration to say the demand for a particular service has declined. Of course, this is because it is no longer available.

Discontinued Clinical Services at Hot Springs Campus beginning in 1996

Updated 8/11/2014

Dates	Programs
	All of the programs and services listed below were once provided by the Hot Springs VA Medical Center. The systematic dismantling of the facility started soon after Hot Springs and Ft. Meade were merged.
1995	****Hot Springs integrated** with Ft. Meade to become Black Hills Health Care System
1996	**Pathology services**: Hot Springs lost histopathology and only pathologist
1996	**1N Intermediate Care Ward:** abruptly closed, despite its VA nationally recognized innovative multi- discipline team provision of care for the homeless and inclusion of hospice and respite care
1998	**Podiatry**: lost 2nd podiatrist, podiatric surgery, and residency program at Hot Springs
2000	**Cardiology clinic**: discontinued at Hot Springs
2001	****Threat of Surgery closure**: averted when SD Sen. Tom Daschle, Senate Majority Leader came to Hot Springs to prevent closure of Surgery at Hot Springs campus
2004	****CARES Commission** recommended Hot Springs retain its current mission
2006	**Veterans' travel**: Hot Springs no longer providing lodging, meals or plane tickets for referred

2007	**Emergency Room**: became Urgent Care, with diversion of ambulance conveyance of veterans to other hospitals. Subsequently began utilizing mid-level providers instead of physicians in the area
2007	**ICU**: discontinued, with integration of all patients and nursing care on same general ward
2009	**Routine Ultrasound**: discontinued when Hot Springs ultrasound tech retired and was not replaced
2010	**Orthopedic surgery**: discontinued at Hot Springs
2011	**Colonoscopy and upper gastrointestinal endoscopy**: discontinued at Hot Springs
2011	**Otolaryngology (ENT) clinic**: discontinued at Hot Springs
2011	**Neurology clinic**: discontinued at Hot Springs
2011	**General surgery and anesthesia services**: discontinued at Hot Springs
2012	**Fluoroscopy and other vital on-site radiologist-guided examinations**/supervision/consultations: discontinued in Hot Springs when longstanding fee-basis radiologist was not renewed in 2011 and only staff radiologist succumbed to long-known terminal illness in 2012, without replacement
2012	**Nuclear Medicine**: discontinued in Hot Springs after the two nuclear medicine techs retired and were not replaced
2012	**Cardiac stress testing:** discontinued at Hot Springs
2012	**Pulmonary rehab:** discontinued at Hot Springs
2012	**Decentralized patient scheduling: discontinued at Hot Springs** after Imaging receptionist resigned and was not replaced. Formation of a central scheduling department to handle education and scheduling of patients in Imaging (as well as other services) has resulted in implementation of procedures by less knowledgeable staff and diminished quality of service, with as many as 50% of specialty patients arriving for appointments without completion of appropriate preps. Although about half of these patients usually can be worked back into the day's schedule, many exams need to be rescheduled, causing the veteran needless inconvenience, delays and extra expense
2013	**Hepatitis C clinic:** discontinued at Hot Springs
2013	**Ventilation therapy** provided by respiratory therapists
2013	**Pacemaker clinic:** discontinued at Hot Springs without notice, after 170 veteran visits/year.
2013	**Cardiac rehab:** discontinued at Hot Springs
2014	**Sleep studies** due to reduced staff
2014	**Cataract surgery:** discontinued at Hot Springs
2014	**Kinesiology services:** discontinued at Hot Springs, following retirement and non-replacement of kinesiotherapist
2014	**OEF/OIF specialist:** discontinued at Hot Springs
2014	**Prostate biopsies:** discontinued in Hot Springs when equipment not repaired. Other than simple cystoscopy, other urologic procedures already had been discontinued in previous years.

**	**KEY EVENTS**

NOTE:	**Loss of these services has resulted in idleness of expensive equipment, extra non-reimbursed patient travel and inconvenience, outsourcing of many studies, increased patient waiting times for appointments, delays in diagnosis, and/or need for less-preferred alternative exams.**
ALSO:	**There have been many losses in Hot Springs VA personnel since 1996, as outlined below. Among them--and in addition to those already mentioned along with the above-indicated discontinued services--are numerous other key Hot Springs positions which have been eliminated or significantly modified since Integration with the Fort Meade VA, resulting in compromise of optimal management and delivery of health care at the Hot Springs VA. Some of these lost critical positions include the following: full-time on-site Hot Springs VA Medical Center Director (!996), (physician) Chiefs of Laboratory, Imaging, and Respiratory Therapy (late 1990's), Associate Chief of Staff for Hot Springs (1999), CT Tech (2000's), Pharmacy Secretary (2006), Laboratory Tech (2010), Diagnostic Services Secretary (2011), Diagnostic Services Chief with any prior clinical experience in laboratory, imaging, and/or respiratory therapy (2011), full-time Laboratory Supervisor (2013), and Imaging Supervisor (2014).**

1995	**648 Fort Meade Employees**	**492 Hot Springs Employees**
2012	**727 Fort Meade Employees**	**390 Hot Springs Employees**
	+79 (Fort Meade Gain)	**-102 (Hot Springs Loss)**

From the beginning of the process, it was the understanding of the Save the VA Campaign that the Save the VA proposal would be seriously discussed, compared, and contrasted with the original VA proposal. It was also the understanding of the stakeholders attending these meetings that the VA, along with the representatives of the Save the VA group, would participate in a reconfiguration of the original VA proposal for a possible blending of concepts, ideas, and initiatives that were in the best interests of veterans, the communities involved, and the VA system. There was never any dialogue or discussion aimed at finding common ground to better serve our rural veterans. It appears, in retrospect, that VISN 23 management never had any intention of finding common ground with the possibility of modifying their original proposal. In fact, the more research the Save the VA Campaign does, the more it appears the VA Administration has a pattern of making management decisions that have a major effect on the health of veterans without conducting any meaningful analysis. It appears to be only after the fact, when challenged, either by an official investigation or a citizens' group, that an effort is made to construct an analysis that supports the decisions previously made. At Hot Springs VAMC, services have been moved or discontinued despite Secretary Shinseki's assurances this would not happen.

Our veterans, nationwide, answered the call. Now we owe them quality, effective treatment for their medical and mental health needs. They deserve facilities that have a history of meeting those unique needs. They deserve a plan that has been well thought out and anticipates the unique needs of rural veterans, not a document created to support a decision that had already been made with justification created after the fact. The Save the VA Proposal is such a plan. It provides a unique collaboration between the VA and rural communities to ensure quality services for rural veterans now and into the future.

Rebuttal to VA Cost Data and Proposal

Since 1995, services to veterans in the Southern South Dakota, Northern Nebraska and Eastern Wyoming area at the VA Black Hills Health Care System (VA BHHCS) have been systematically cut. This came to a culmination on December 12, 2011, when Janet Murphy, Stephen DiStasio and Dr. Julius came to Hot Springs and told VA employees and the Hot Springs community at an overflow meeting that the VA BHHCS Administration along with VISN 23 would be proposing the closing of the Hot Springs VAMC, building a Community Based Outpatient Clinic (CBOC) in Hot Springs, building a 100 bed Residential Rehabilitation Treatment Program (RRTP) in Rapid City and building a new, larger CBOC in Rapid City. The hospital would not be replaced.

The proposal was presented without any in-depth cost benefit analysis having been conducted. It appears to have been based on meetings within VA management. They simply concluded that services should be moved and eliminated without looking at the data and the practical effect on the veterans whose services would no longer be in Hot Springs.

A community group, calling itself the Save the VA Campaign, began to research the VA Administration proposal. What they found was that the reasons the VA were giving for closure were inaccurate and misleading.

VA Assertion: The number of veterans needing service in this area are projected by the VA to decrease.

Save the VA Response: Based on subsequent FOIA requests, it was revealed that national reports show an increase, not a decrease, in unique count of veterans at the Hot Springs VA by 19% over the last four years.

The American Legion 2012 System Worth Saving Report on Rural Health Care supports these numbers:

> *"In our findings, we discovered that one out of three veterans enrolled in VA live in rural and highly rural areas. Of the 3.4 million rural veterans enrolled in VA, 2.2 million were treated in 2010. The number of rural and highly rural veterans is expected to increase. Additionally, veterans living in rural areas face many challenges, including the lack of primary/specialty treatment available, difficulty recruiting and retaining VA health-care providers in rural and highly rural areas, and the increased time and distance veterans experience in traveling to VA health-care facilities."*

Given the VA management's history of finding data to justify conclusions already reached and the lack of data presented to support projections of a decrease in veterans requesting services, it is difficult to believe that the number of veterans seeking medical services will decrease.

VA Assertion: The Hot Springs VA facility is in poor condition and has outlived its useful life. It is not suitable for modern health care delivery.

Save the VA Response: An onsite inspection by an historical preservation architect, conducted at the request of the Save the VA Campaign and South Dakota Congressional staff, has determined that the HS VAMC facility is in fact in good condition and can be remodeled to meet the needs of current and future veterans well into the future.

This is not the first time that VA management has produced a proposal that lacks substance and supporting documentation. On September 28, 2012, OIG issued an investigative report on the consolidation of the Cleveland Campuses located in Brecksville and Wade Park, Ohio. Many of the deficiencies found in that investigation were also found by the Save the VA Campaign as they investigated the VA proposal for BHHCS. For example the OIG report states:

> *"**Energy**: The energy savings found in the documents reviewed was used routinely to address how expensive it was to provide utilities to Brecksville. While there is no doubt that Brecksville was not energy efficient and the heating and cooling systems needed to be updated, we determined that the reported energy costs were significantly overstated. The Director and former Associate Director, who prepared the White Paper, could not provide supporting documentation for the reported $10 million in annual energy costs at Brecksville. We received data from the Chief of Finance for FY 06 through FY 11 and found that the average utility expenditures over that period were $3,459,671 annually rather than the $10 million represented in the presentation. This inflation of energy costs at Brecksville provided misleading information regarding the cost justification of consolidation. The estimated savings is even lower when adjusted to reflect the utility costs incurred to provide the services at other locations." (page 10)*
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> *"Additionally, our document review found a Feasibility Analysis prepared at VA's request by Basile Baumann Prost & Associates dated May 26, 2005. This analysis stated 'Currently, Class B office space rents in the market average approximately $15 per square foot, while Class A rents average over $21 per square foot.' The documentation also contained a draft letter dated March 20, 2006, by JLL for the purpose of helping VetDev obtain preferential tax treatment from the City of Cleveland that showed the market rate for Class A office space to be $23 per square foot. However, by the time the deal was finalized in 2009, JLL advised the final rate of $48.12 per square foot was a fair price. There is no evidence to support JLL's determination regarding the reasonableness of the price and when we interviewed the JLL employee he stated that the basis for the statements was that it was new building. It is not clear to us why VA's consultant, JLL, was allowed to assist VetDev in the EUL process as it appears to be a conflict of interest. The Cleveland Plain Dealer reported that the Mayor of Brecksville stated at the decommissioning ceremony for the Brecksville campus that VetDev had hired JLL to market the property for them."(page 16)*

JLL provided the after-the-fact cost benefit analysis showing that almost any alternative other than renovating the Hot Springs Historic Landmark campus was significantly more cost effective. They also provided the facility comparison between the Save the VA proposal and the VA proposal that found renovation of the facility to be too expensive, despite the fact the current facility was found to be in good condition. JLL seems to have a history of providing analysis that supports local VA proposals.

VA Assertion: Moving to Rapid City provides the veterans with better transportation, education and job opportunities.

Save the VA Response: Veterans themselves say the Hot Springs provides the healing they need away from the noises, stresses and temptations of an urban setting.

The OIG cites the negative impact of moving from a suburban setting to an urban setting, a problem similar to that proposed by moving the Residential Treatment facility in Hot Springs from a rural to an urban setting. In the Cleveland case this move was already resulting in a negative impact on veterans in treatment.

> "The Brecksville campus afforded patients more recreation options such as basketball, swimming, and park setting for walking in a suburban area that was free from distractions and temptations. The environment in Wade Park is dramatically different because of the urban setting. There are little to no recreational options and there are no grounds available to the residents to use that are free from negative environmental factors. Residents are often dealing with substance abuse issues and the Wade Park facility is close to areas that afford the opportunity to obtain drugs and alcohol. VA officials noted a decrease in participation in voluntary support meetings that are available to the residents." (Page 29)

Safety is a major issue for veterans in treatment. The crime index in Hot Springs is 411 compared to 2,408 in Rapid City.

VA Assertion: Contracting with private providers will provide services to veterans closer to home.

Save the VA Response: The region covered by HS VAMC is a medically underserved area and private providers are not experienced in the unique medical and mental health issues of veterans.

While Save the VA agrees that veterans need to have services available as close to where they live as possible, the VA BHHCS' solution will not accomplish that. The area served by HS VAMC is rural and highly rural. This means that there are currently insufficient resources to serve the population currently requiring medical services in this area. The following counties in the Hot Springs catchment area are designated as Health Professional Shortage Areas:

- South Dakota: Fall River, Custer, Shannon, Todd, Jackson, Mellette and Bennett;
- Nebraska: Sioux, Dawes, Sheridan, Brown, Grant, Cherry, Box Butte, Morrill;
- Wyoming: Niobrara, Crook and Weston.

Adding additional customers to a system already stretched to provide for their current customers does not serve our veterans or the community well. In addition, Dr. Kenneth Kizer, former Under Secretary for Health for the VA, helped shift VA from a hospital-based system to a community-based outpatient clinic (CBOC) in order to move VA care closer to veterans' homes but then realized that there were problems with non VA primary care providers' lack of familiarity with VA specific health issues. In an article published in the Journal of American Medical Association in February 2012, Dr. Kizer stated, "Physicians in private practice may not be prepared to treat conditions prevalent among veterans – for example, the Reaching Rural Veterans Initiative in Pennsylvania found that primary care clinicians lacked knowledge of PTSD, and other mental health disorders prevalent among veterans, and were unfamiliar with VA treatment resources for such conditions."

According to a September 14, 2012 OIG report to a Congressional Sub Committee there are issues with non VA providers, also referred to as fee basis providers, understanding the unique mental health and medical problems of veterans: "Over the past 3 years, the OIG has issued seven reports on VA's fee care program. Our audits and reviews of fee care have identified significant weaknesses and inefficiencies. Specifically, we found that VA had not established effective policies and procedures to oversee and monitor services provided by non-VA providers to ensure they are necessary, timely, high quality, and properly contracted and billed."

Additionally the report stated:

> *"While purchasing health care services from non-VA providers may afford VHA flexibility in terms of expanded access to care and services that are not readily available at VAMCs, it also poses a significant risk to VA when adequate controls are not in place. Although the Under Secretary for Health agreed to our recommendations and provided implementation plans to correct identified issues, VHA still faces major challenges managing the fee care program. Improper contracting practices as reported in other OIG reports only highlight our concerns that VA must ensure proper controls are implemented and monitored before, during, and after contracts are awarded..."*

The Nebraska Grand Island VA, a VISN 23 hospital, is an example of how this all plays out for veterans. A number of years ago, the VA hospital there was closed and contracts with local private providers entered into to provide veterans with care closer to home. After several years, these contracts were not renewed and now veterans must travel to Omaha, NE, to receive their care. This is an additional two plus hours drive from Grand Island. This results in longer travel times for the veteran and also means significant added expense for the veteran and their families. If a veteran becomes hospitalized far from home, friends and relatives are less likely to be able to visit, hindering the recovery of the veteran.

The first time the Hot Springs Fall River Hospital board members were made aware their hospital was being considered as an option in the VA's proposal was at the December 12 public presentation of the VA proposal. The contents of the proposal presented by local VA and VISN leadership came as a surprise to the board of directors of Fall River Health Services (FRHS) despite the fact the VA chose to publicly suggest some type of collaboration with FRHS. The FRHS board has consistently stated publically they do not have the capacity to serve local veterans currently served by the VA.

VA Assertion: Native American Veterans living on reservations near Indian Health Services (IHS) could receive their services through IHS.

Save the VA Response: The local IHS is overwhelmed and the quality of the services is questionable.

All veterans deserve quality health care provided in a timely manner. This includes Native American veterans. The VISN 23 management team has suggested IHS Aberdeen area, which includes Pine Ridge and Rosebud, as a viable provider despite a United States Senate Committee on Indian Affairs investigative report completed December 28, 2010, that states the following:

> *Through the investigation the Chairman identified certain at-risk facilities given the information that IHS submitted. Specifically, the investigation revealed that IHS hospitals located at Pine Ridge Service Unit, Rosebud Service Unit, Belcourt Service Unit, Rapid City Service Unit, Fort Yates Service Unit, and Winnebago Service Unit had substantial accreditation and EMTALA issues. For instance, a CMS report from March 19, 2010, notes that Pine Ridge Hospital received a number of EMTALA complaints in 2009 and 2010, which centered on insufficient care in its Emergency Department. In addition, in November 2010, CMS reviewed Rapid City IHS Hospital's corrective action plans in response to a May 2005 EMTALA complaint (fifth revisit) and a September 2008 EMTALA complaint (second revisit). CMS determined that the Hospital's corrective action plans were unacceptable, requiring the facility to submit more responsive plans in order to avoid jeopardizing its accreditation. (page 23)*

The EMTALA refers to the Emergency Medical Treatment and Active Labor Act. The majority of Native American veterans currently served by the Hot Springs VAMC live in the IHS Pine Ridge, Rosebud and Rapid City service areas. Not only does the Senate Committee have issues with the quality of services provided at these facilities, many of the Native American veterans currently served by the VA refuse to go to these facilities due to the poor service. If a Native American veteran seeks treatment at one of these facilities they are routinely turned away and told to go to the VA.

VA Assertion: The VA Administration sought additional input and recommendations from the public.

Save the VA Response: An innovative proposal was produced by the Save the VA Campaign, none of which was included in the VA proposal.

The Save the VA Campaign proposal creates a community/VA partnership that provides a continuum of care from assessment to successful reintegration into the community. This partnership provides for a reinvestment of profits into veterans care while ensuring quality medical services continue to be available for rural veterans.

This proposal addresses two major challenges currently facing the VA:

- How best to provide quality medical care to rural and highly rural veterans close to their homes.
- How to provide treatment for substance abuse, PTSD and homelessness for both older veterans and those returning from recent conflicts in the Middle East.

These challenges are addressed in the Save the VA proposal by:

- Creating a not-for-profit corporation along with a for-profit Veterans Industries Company.
- Reinvesting a portion of the profits into the VA to offset cost of care.
- Training veterans in skills that can be translated into careers.
- Providing education that prepares veterans and community members to participate in the job market of the present and future.
- Providing high quality medical services to veterans in rural areas.
- Constructing more flexible treatment plans to meet the needs of individual veterans.
- Providing a tranquil setting where temptations are minimized and healing is maximized.

In July of 2012, the Save the VA Campaign, staff from the SD Congressional Delegations' Rapid City Offices, representatives of a number of Veterans' Service Organizations, other interested stakeholders, staff from the Nebraska and Wyoming Congressional Delegations' offices by phone and the VISN 23 staff began a series of meetings to discuss the Save the VA proposal. At the first of these meetings, Save the VA made it clear their purpose in participating in these meetings was to determine which of the following might be possible: the VA and Save the VA would agree on a blended joint recommendation to be sent to the Secretary; a partial joint proposal with unagreed upon elements taken separately to the Secretary; or a joint proposal was not possible and each plan would be presented separately.

After four lengthy meetings, on September 10th, 2012, VISN 23 management stated they did not have the authority to discuss the proposal or try to reach common ground. This despite an email sent to VA Black Hills Health Care employees by BHHCS management on August 31, 2012, containing the following paragraph:

> "With the completion of the operating and capital costs analyses (sic) and stakeholders meetings approaching it will soon be time to rewrite the proposal into

a recommendation to be forwarded to VA Central Office. The recommendation will likely be forwarded in September. We do not know at this time when we can expect a decision."

Given the BHHCS' request for input from veterans, local communities, Native Americans, the Save the VA Campaign and other stakeholders, the expectation was they would revise their proposal to incorporate some of these recommendations. A more serious level of discussion and negotiation was anticipated. Sadly, that never happened.

VA Assertion: It is too costly to renovate the HS VAMC facility.

Save the VA Response: The buildings are in good condition and can be cost effectively renovated.

After a January 2012 request from the SD Congressional Delegation, in June, 2012, VA BHHCS finally produced an analysis of the cost to build a new CBOC in Hot Springs and another in Rapid City along with a new RRTP in Rapid City versus renovation of the current Historical Landmark campus which has served veterans since 1907. The financial consultant providing this analysis was JLL, the same JLL involved in the justification of the Cleveland consolidation. No one from JLL made a site visit of the Hot Springs campus to support this initial assessment. Not surprisingly, the results of this analysis supported the VA BHHCS plan.

In August the VISN 23 staff, in coordination with JLL, completed another analysis of cost to implement the Save the VA proposal including operational costs as well as remodeling costs of the existing facility. Once again both were exorbitant. The 30 year costs to mothball the HS VAMC were $22,392,147. Given the square footage, this would have been $1.65 per square foot per year. In fact, Secretary Shinseki, in his letter to the South Dakota Congressional Delegation of March 8, 2012, stated "VA's assigned cost to maintain an unused building is an estimated $5.33 per square foot per year, according to the VA Central Office Cost Guide". This would be a total of $2,398,500 per year for 450,000 square feet or $71,955,000 for 30 years not including inflation. In other words the costs were less than a third of what they should have been according to the VA's own guidelines. If an inflation factor of 2.5 percent per year is used, the total cost over 30 years would be $106,000,000. What other numbers have been similarly under or overinflated to justify this decision?

Despite the fact the only additional services proposed were to increase the RRTP capacity from 100 to 200 beds by remodeling existing buildings, the proposed staff was 633. The staffing at Hot Springs has never been this high. In fact, the highest staffing level at HS VAMC was less than 500 in 1995 when the Hot Springs facility was administratively merged with the Ft. Meade facility. Current staffing is less than 375. The cost of renovating the Hot Springs facility was also extremely high, proposing the building of a new 84,000 sq. foot building to accommodate the 82 veterans' treatment beds that did not fit in the current RRTP remodel. There was no discussion about the assumptions made in deciding the current facility would only accommodate 110 veterans and no discussion about what other existing buildings could be used to provide housing/meeting rooms. It was never the intention of the Save the VA Campaign to build an 84,000 square foot building or to increase the staff to 633. In all the meetings held, there was never any dialogue about the best way to provide services to the veterans living in this highly rural area or how to best utilize the beautiful and historic facility to continue a long history of providing quality care to our veterans.

VA Assertion: Due to the decrease in patient numbers, quality of care is a concern.

Save the VA Response: The HS VAMC has a long history of meeting and exceeding quality standards.

The HS VAMC has a long history of providing high quality services as reflected in the CARES, Joint Commission and other accreditation standards met and exceeded, as well as the consistently high satisfaction of the veterans served. The most recent such review found the following as reported by the Rapid City Journal October 1, 2012:

> *"VA Black Hills Health Care System's (BHHCS) Mental Health Service was awarded full accreditation by the Commission on Accreditation for Rehabilitation Facilities (CARF) for its residential and outpatient programs related to homeless services, employment services, addictions treatment and PTSD programming. The accreditation is for a three-year period, May 2012-2015."*
>
> *"This is the fifth time Mental Health Services has been awarded CARF certification for Residential Programming. In keeping with VA's desire to demonstrate their commitment to quality of care, the Homeless Programs and Compensated Work Therapy Programs were reviewed and accredited for the first time. Not only did these programs pass the survey with no noted deficiencies, several best practices were noted."*

Veterans want continued services at the Hot Springs VA. They like the way they are treated, the location and the historic building and setting. Native American veterans have signed resolutions supporting continuing to provide the services at the HS VAMC at the same levels as they have been in the past. Veterans specifically state they like the following:

- The wide variety of services provided at the HS VAMC provides for treatment of the entire person.
- Being able to schedule several appointments in one day.
- Being able to walk to all points in town for shopping and work.
- All the recreational activities that are readily available.
- The therapeutic, non-stressful, safe and spiritual environment conducive to healing that the campus provides.
- The historical connection with those who have been healed here and those who have supported that healing over the past 100 plus years.

A representative veteran's comment is:

> "When I went to Vietnam I believed in the cause. I thought that communism would spread like the domino effect and I wanted to do my part to prevent that from happening. Six months into it I began to realize that it was a lost cause. They were a third world country and couldn't, and, at times, wouldn't defend themselves. It's a tall order to go from a peasant country to a democracy. From that time on I was looking forward to getting out of the service, but I had a personal sense of responsibility and I had made a promise to my country. Now my country is breaking their promise to us."
>
> Fred Smith, Hot Springs, Marine Corp Veteran

And from a clinical psychologist:

"Living with the physical and emotional trauma each day due to their service to our country has already compromised their functioning. Closing the BHHCS will only increase their stress..... The bottom line is this: Diminish the quality of their care - increase the COSTS of their care!!!!"

Janis A. Di Ciacco, Ph.D Clinical Psychologist Denver, CO

Following is a table of the programs and services listing availability of the service and staffing levels on April 5, 2012 and July 31, 2014 at Fall River Hospital (FRHS) and the Hot Springs VA (HSVA).

FRHS-4/5/12	HSVA-4/5/12	SERVICE/PROGRAM	FRHS-7/31/14	HSVA-7/31/14
		Accreditation/Quality of Care		
No	No (after certif nurses retired about 2010)	AORN (Association of periOperative Nurses)	No	No (after certified nurses retired about 2010)
No	Yes	CAP (College of American Pathologists)	No	Yes
No	Yes	CARF (Commission on Accred of Rehabilitation Facilities)	No	Yes
No	Yes	JCAHO (Jt Commiss on Accred of Healthcare Organizations)	No	Yes
		Service-Connected Services		
No	Yes	Compensation & pension evaluations	No	Yes
No	Yes	Environmental agent registry exams	No	Yes
No	Yes	OEF/OIF(Op Endur Freedom/Op Iraqi Freedom) specialist	No	No (stopped coming in 2014)
		Dental Services		
No	Yes	Dentistry	No	Yes
		Diagnostic Services		
Yes	Yes	Laboratory	Yes	Yes
Yes	Yes	Computed tomography	Yes	Yes
No	Yes (weekly)	Echocardiography	Yes (weekly by contract)	Yes (weekly)
No	Yes	Fluoroscopy	No	No (discontinued in 2012)
Yes (weekly by contract)	Yes (weekly)	Magnetic Resonance Imaging (MRI)	Yes (weekly by contract)	Yes (weekly)
No	Yes	Nuclear medicine	No	No (discontinued in 2012)
Yes	Yes	Radiology	Yes	Yes
Yes (regularly scheduled--contract)	No (discontinued about 2009)	Screening mammography	No	No (discontinued about 2009)
Yes	Yes	Teleradiology	Yes	Yes
Yes	No (discontinued in 2009)	Ultrasound	Yes	No (discontinued in 2009)

FRHS-4/5/12	HSVA-4/5/12	SERVICE/PROGRAM	FRHS-7/31/14	HSVA-7/31/14
		Dietary Services		
Yes (contract with VA)	Yes (including telehealth)	Clinical dietitians	Yes (contract with VA)	Yes (including telehealth)
Yes	Yes	Food services	Yes	Yes
		Emergency/Urgent Services		
Yes (24/7 physician coverage)	No (downgraded to UC* in 2007)	Emergency Room	Yes (24/7 physician coverage)	No (downgraded to UC in 2007)
No	Yes (24/7 physician coverage)	Urgent Care	No	Yes (changed to some PA cov.)
		Inpatient/Resident Services		
Yes	Yes	Acute beds	Yes	Yes
No	Yes	Hospice beds	No	Yes
No	No (discontinued in 2007)	Intensive care unit	No	No (discontinued in 2007)
Yes	Yes	Long-term beds	Yes	Yes
		Mental Health Services		
No	Yes	Psychiatry	No	Yes
No	Yes	Psychology	No	Yes
No	Yes	PTSD** treatment program	No	Yes
No	Yes	Subst. abuse treatment program	No	Yes
No	Yes	Suicide prevention program	No	Yes
**Post traumatic stress disorder		*Urgent Care		
		Pharmacy		
Yes	Yes	Pharmacy	Yes	Yes
No	Yes	Pharmacy anticoagulation clinic	No	Yes
No	Yes	Pharmacy diabetes control clinic	No	Yes
No	Yes	Pharmacy lipid treatment clinic	No	Yes
		Primary Care		
Yes	Yes	Physician/mid-level provider clinics	Yes	Yes

		Safety/Security		
Local volunteer fire fighters only	Yes (24/7 VA Fire Department)	Fire protection	Local volunteer fire fighters only	Yes (24/7 VA Fire Department)
Local public law enforcement only	Yes (24/7 VA Police Dept.)	Security/police protection	Local public law enforcement only	Yes (24/7 VA Police Dept.)
		Same Day Surgery		
Yes	No (CRNA***services stopped in 2011)	Anesthesia	Yes	No (after discontinuing in 2011)
Yes	No (discontinued about 2011)	Endoscopy	Yes	No (discontinued about 2011)
No	Yes	Cystoscopy	No	Yes
Yes	No (discontinued about 2011)	General surgery same day surgery	Yes	No (discontinued in 2011)
Yes	Yes	Ophthalmologic surgery	Yes	No (discontinued in 2014)
Yes	No (discontinued about 2010)	Orthopedic surgery	No	No (discontinued about 2010)
Yes	No (discontinued in 1998)	Podiatric surgery	Yes	No (discontinued in 1998)
No	Yes	Prostate biopsy	No	No (equipment down in 2014)
		Specialty Clinics		
No	Yes	Audiology	Yes	Yes
Yes	No (discontinued before 2000)	Cardiology	Yes	No (discontinued before 2000)
No	Yes (mid-level)	Dermatology	No	Yes (mid-level)
Yes	Yes	General surgery	Yes	Yes
No	Yes	Hepatitis C	No	No (discontinued in 2013)
No	Yes	Nephrology	No	Yes
Yes	No (discontinued about 2011)	Neurology	Yes	No (discontinued about 2011)
No	Yes	Ophthalmology	No	Yes
No	Yes	Optometry	No	Yes
Yes (physician)	Yes (with PA**** after approx 2011)	Orthopedic	Yes (physician)	Yes (with PA after approx 2011)
No	No (discontinued about 2011)	Otolaryngology (ENT)	No	No (discontinued about 2011)
Yes	Yes	Podiatry	Yes	Yes
No	Yes	Psychology	No	Yes
No	Yes	Urology	No	Yes

FRHS-4/5/12	HSVA-4/5/12	SERVICE/PROGRAM	FRHS-7/31/14	HSVA-7/31/14
		Therapeutic Services/Supplies		
Yes	Yes	Cardiac rehabilitation	No	No (discontinued in 2013)
Yes (equip available by delivery)	Yes	CPAP (Continuous Positive Airway Pressure)	Yes (available by delivery)	Yes
No	Yes	Home-based primary care program	No	Yes
Yes (equip available by delivery)	Yes	Home oxygen	Yes (available by delivery)	Yes
No	Yes	Kinesiotherapy	No	No (discontinued in 2014)
Yes	Yes	Occupational therapy	Yes (contract)	Yes
Yes	Yes	Physical therapy	Yes	Yes
No	Yes	Prosthetics	No	Yes
****Physician assistant		***Certified registered nurse anesthetist		
Yes	Yes	Pulmonary rehabilitation	No	No (discontinued in 2012)
Yes	Yes	Recreation therapy/activities	Yes	Yes
Yes	Yes	Respiratory therapy	Yes	Yes
Yes (contract)	Yes	Speech lang. pathology/therapy	Yes (contract)	Yes
		Other Services		
No	Yes	Cardiac pacemaker monitoring/mgt	No	No (discontinued in 2013)
No	Yes	Chronic disease management	No	Yes
No	Yes	Dialysis	No	Yes
No	Yes	Drug and alcohol detoxification	No	Yes
No	Yes	Medical library	No	Yes
No	Yes	Nuclear cardiac stress testing	No	No (discontinued in 2012)
Yes	Yes	Outpatient telemetry	Yes	Yes
Yes	Yes	Sleep studies	Yes	Yes
Yes (wkly, as needed, by contract)	Yes	Social work services	Yes (wkly, as needed, by contract)	Yes
No	Yes	Staff education department	No	Yes
No	Yes	Telemedicine	No	Yes

FRHS-4/5/12	HSVA-4/5/12	KEY PERSONNEL	FRHS-7/31/14	HSVA-7/31/14
		Diagnostic Services		
5-FT (Full-time) (24/7 avail)	5-FT (24/7 avail) (1 lost in 2010)	Laboratory techs	5-FT (24/7 avail)	5-FT (24/7 avail) (1 lost in 2014)
0	0 (1 eliminated in 1998)	Pathologist	0	0 (the only1 eliminated in 1998)
0	1-FT	Phlebotomist	0	1-FT
0	1-PT (Part-time) (weekly)	Echocardiographer	1-PT (weekly by contract)	1-PT (weekly)
0	2-FT	Nuclear medicine technologists	0	0 (2 retirees not replaced 2014)
3-FT (24/7 availability)	4-FT (24/7) (1 retiree not replaced)	Radiologic technologists	3-FT (24/7 availability)	3-FT (24/7) (retiree not replaced 2014)
0	1-FT	Radiologist	0	0 (deceased not replaced 2012)
1-FT (daytime)	0 (retiree not replaced 2009)	Ultrasonographer	1-FT (daytime)	0 (retiree not replaced 2009)
		Dietary Services		
1-PT (contract with VA)	4-FT (including telehealth)	Clinical dietitians	1-PT (contract with VA)	4-FT (including telehealth)
		Emergency/Urgent Services		
1-(24/7 physician coverage)	0 (downgraded from ER 2007)	Emergency Room Providers	1-(24/7 physician coverage)	0 (downgraded from ER 2007)
0	1-(24/7 physician coverage)	Urgent Care Providers	0	1-PA in day; 1-physician@PM)
		Mental Health Services		
0	2-FT (Domiciliary)	Psychiatrists	0	1-FT (Dom) (reduced since 2012)
0	2-FT (Dom);1-FT (clinic)	Psychologists	0	1-FT (Dom);1-FT (clinic)(down 1)
		Pharmacy		
2-FT	8-FT (including 1 contract)	Pharmacists	2-FT	5.4-FT (fewer empl/cancelled contract)
0	1-FT	Pharmacy technicians (call center)	0	4.5-FT (more facilities covered)
2-FT	6-FT	Pharmacy technicians (outpatient)	3-FT	5-FT (realignment)

FRHS-4/5/12	HSVA-4/5/12	KEY PERSONNEL	FRHS-7/31/14	HSVA-7/31/14
		Primary Care		
included with mid-levels below	included with mid-levels below	Clinic nurse practitioners	included with mid-levels below	included with mid-levels below
2-FT family practitioners	2-FT family practitioners	Clinic physicians	1-FT family practitioner	2-FT family practitioners
1-FT	2-FT (clinic);2-FT (Dom)	Mid-level providers	3-FT	2-FT (clinic);3-FT (Dom&UC)
included with mid-levels above	included with mid-levels above	Physician assistants	included with mid-levels above	included with mid-levels above
		Same Day Surgery		
1-scheduled for surgeries	0 (discontinued about 2011)	Certified registered nurse anesthetist	1-scheduled for surgeries	0 (discontinued about 2011)
1-scheduled for endoscopies	0 (discontinued about 2011)	Endoscopist	1-scheduled for endoscopies	0 (discontinued about 2011)
1-scheduled for surgeries	0 (discontinued about 2011)	Operating general surgeon	1-scheduled for surgeries	0 (discontinued about 2011)
1-scheduled for surgeries	1-scheduled for surgeries	Ophthalmologic surgeon	1-scheduled for surgeries	0 (discontinued in 2014)
1-scheduled for surgeries	0 (discontinued about 2010)	Orthopedic surgeon	0	0 (discontinued about 2010)
1-available for surgeries	0 (discontinued in 1998)	Podiatric surgeon	1-available for surgeries	0 (discontinued in 1998)
0	1-for cystoscopy & prostate bx	Urologist	0	1-cystoscopy but no prostate bx

FRHS-4/5/12	HSVA-4/5/12	KEY PERSONNEL	FRHS-7/31/14	HSVA-7/31/14
		Specialty Clinics		
0	1-PT (2 days/wk)	Audiologist	1-irregularly scheduled	1-PT (being recruited)
1-regularly scheduled	0 (discontinued before 2000)	Clinic consulting cardiologist	1-regularly scheduled	0 (discontinued before 2000)
1-regularly scheduled	1-regularly scheduled	Clinic consulting neurologist	1-regularly scheduled	0 (discontinued about 2012)
0	1-regularly scheduled	Clinic consulting ophthalmologist	0	1-regularly scheduled
1-regularly scheduled	1-reg sched (PA rather than MD)	Clinic consulting orthopedist	1-regularly scheduled	1-reg sched (PA rather than MD)
1-regularly scheduled	1-regularly scheduled	Clinic general surgeon	1-regularly scheduled	1-regularly scheduled
1-regularly scheduled	1-FT (decreased by 1 in 1998)	Podiatrist	1-regularly scheduled	1-FT (decreased by 1 in 1998)
		Therapeutic Services & Supplies		
1-FT	1-FT	Activities/recreation assistant	0	1-FT (currently unfilled)
1-FT	1-FT	Activities/recreation director	1-FT	1-FT
0	1-FT	Kinesiotherapist	0	0 (retiree not replaced 2014)
1-PT	1-PT (2 days/wk)	Occupational therapist	1-PT (contract)	1-PT (3 days/wk)
2-FT, 2 PT contract	1-FT	Physical therapist	4-FT	2-FT
1-FT, 1-PT contract	1-FT	Physical therapy asst/health tech	1-FT	1-FT
1-FT,2-PT(daytime w/occ. call-back)	6-FT (24/7 avail)	Respiratory therapists	3-FT, 1-PT (daytime)	6-FT (24/7 avail)
1-PT (contract)	1-PT	Speech/lang. path. (SLP)/therapist	1-PT (contract)	1-PT

PREPARED STATEMENT OF LARRY ZIMMERMAN

Good morning Chairman Miller, Vice Chairman Bilirakis, Representative Noem, and members of the committee. I am pleased to be here today to present our concern with the healthcare challenges faced by veterans in rural America.

My name is Larry D. Zimmerman and I serve as Governor Daugaard's Secretary of the South Dakota Department of Veterans Affairs. Our Department is the voice for South Dakota's 75,000 veterans. I served active duty Army from 1973–1976 in the 4th Infantry Division at Ft Carson, Colorado, and served 29 years in the South Dakota National Guard, most recently serving at the State Command Sergeant Major. I had the distinct honor to complete a tour of duty in Afghanistan in support of Operation Enduring Freed as the Operations SGM for the nine Northern provinces in that country.

South Dakota is fortunate to have three VA healthcare facilities in our state, 12 community based outpatient clinics and three vet centers. We are fortunate to have 66 county veterans service officers and seven tribal veterans service officers and over 20 veterans service organizations that are committed to enhancing the lives of our veterans.

In 1889 the Grand Army of the Republic secured territorial legislation to construct a veterans home. It's our understanding that Dakota Territory was the first of all territories to provide a home for their veterans. In 1907 the Battle Mountain Sanitarium opened its doors in Hot Springs to focus on short term medical needs of veterans. Although over the years, both facilities have changed names, the VA Black Hills Health Care System and the Michael J. Fitzmaurice State Veterans Home have worked together to provide care for our veterans for over 107 years.

Veteran's healthcare is a critical issue and it is important that we honor the promise to take care of those individuals who secured and protected our freedoms. During a one-year window, Michael J. Fitzmaurice State Veterans Home transported our heroes to the VA healthcare facilities in Hot Springs 1,272 times for urgent care, eye-care, dental care, dialysis, respiratory care, x-rays, urology, podiatry, and mental healthcare. In addition, during that same one-year time frame, 40 heroes were admitted to acute care at the VABHHCS in Hot Springs and 108 were transported to Rapid City via the VA. Additionally, thousands of veterans drive from other states, tribal lands and many of South Dakota's most rural areas to receive medical care.

Our heroes deserve the opportunity to enjoy the rest of their lives and be assured that they will have access to quality healthcare. South Dakota has a strong legacy of taking care of our veterans and we at the Michael J. Fitzmaurice State Veterans Home will guarantee that our heroes needs will be taken care of no matter what decisions are made of.

In closing, I appreciate the support that your Committee has given us on all issues relating to veterans and I appreciate the invitation to present this information with you and I will be pleased to answer any questions you may have.

PREPARED STATEMENT OF DR. STEVEN JULIUS

Good afternoon Chairman Miller and distinguished members of the panel. Thank you for the opportunity to discuss the VA Black Hills Health Care System's (VA BHHCS) commitment and accomplishments in providing Veterans accessible, high quality, patient-centered care and to specifically address rural healthcare and access to care in western South Dakota, northwestern Nebraska, eastern Wyoming, and a portion of southwestern North Dakota. I am accompanied today by Mr. Stephen DiStasio, Director of the VA BHHCS.

VA BLACK HILLS HEALTH CARE SYSTEM OVERVIEW

VA BHHCS provides primary and specialty medicine, extended care and rehabilitation services, surgical and other specialty care, and mental health services, as well as residential rehabilitation treatment programs. VA BHHCS is a part of Veterans Integrated Service Network (VISN) 23, the VA Midwest Health Care Network, which includes facilities in South Dakota, North Dakota, Nebraska, Iowa, Minnesota, and portions of neighboring states.

VA BHHCS consists of two medical centers located at Hot Springs and Fort Meade, South Dakota (approximately 90 miles apart); and VA staffed Community-Based Outpatient Clinics (CBOC) located in Rapid City and Pine Ridge, South Dakota, and Newcastle, Wyoming. Contract CBOCs are located in Pierre, Winner, Mission, Eagle Butte, Isabel, and Faith, South Dakota, and Gordon and Scottsbluff, Nebraska. Compensated Work Therapy (CWT) programs are located in McLaughlin,

Eagle Butte, and Pine Ridge, South Dakota, serving Veterans on the Standing Rock, Cheyenne River, and Pine Ridge Indian Reservations. In addition, Transitional Residences are located in Rapid City, Sturgis, Pine Ridge and Hot Springs, South Dakota. VA BHHCS also has collaborative relationships with the Vet Centers in Rapid City and Martin, South Dakota.

The VA BHHCS—Fort Meade Campus is identified as a rural medical center and the VA BHHCS—Hot Springs Campus is recognized as a highly rural medical center. The VA BHHCS has a service area of approximately 100,000 square miles covering parts of four states. The Hot Springs VA Medical Center is located in a community of approximately 3,900 residents. The Fort Meade VA Medical Center is located in the community of Sturgis with approximately 6,300 total residents.

In FY13, based on calculations by VA's National Center for Veterans Analysis and Statistics for Veteran Population, there were approximately 35,000 total Veterans within the VA BHHCS service area. Of the 35,000, approximately 21,000 were enrolled for healthcare services, and 19,207 of the enrolled unique Veterans were served. This reflects an enrolled penetration rate of almost 60 percent in FY13, one of the highest in VHA.

There are approximately 1,033 dedicated VA staff members at the VA BHHCS who demonstrate their commitment to the care of Veterans every day. Often, employees travel to remote locations throughout the area to provide primary care, mental health, and other services to Veterans.

VA BHHCS maintains 459,000 square feet and 77 acres of property at Hot Springs and 821,000 square feet and 220 acres at Fort Meade. Maintaining and improving the aging buildings at the Fort Meade and Hot Springs Medical Centers, ranging from 40 to over 100 years old, significantly increases the cost of operation at both facilities.

- Existing operating rooms at the Fort Meade and Hot Springs VA hospitals are reaching 40 years of age.
- The current Residential Rehabilitation Treatment Program (RRTP) building at Hot Springs is over 100 years old, and the structure is not compliant with the Architectural Barriers Act.
- The Hot Springs and Fort Meade campuses are both sites of historical significance. Hot Springs is the Battle Mountain Sanitarium National Historic Landmark, with a proud history of caring for Veterans extending back to the early 1900s. The Fort Meade cavalry post is known for its significant military presence, extending back to the 1880s.

VA BHHCS has the highest costs, per unique patient, of all VISN 23 facilities and one of the highest unit costs in all of VHA. In addition to the factors previously mentioned, this cost derives from a number of operational and infrastructure variables, the ratio of staff to Veterans served, and utility and maintenance costs of extensive buildings/acreage.

VA BLACK HILLS' PROPOSAL FOR RECONFIGURATION

VA BHHCS is committed to providing safe, high-quality, and accessible healthcare to the Veterans in western South Dakota and areas of the bordering states of Nebraska, Wyoming, and North Dakota. We have conducted a review of the services provided in this region. The Department has determined that improvements and reconfigurations to VA BHHCS operations are needed to maintain the safety and quality of care it provides. We also believe this will increase the scope of services available to Veterans closer to their homes, while being good stewards of public funds.

VHA is concerned about its ability to preserve the quality and safety of care at Hot Springs. The Hot Springs Inpatient Medicine Unit (1East) has maintained a cumulative Average Daily Census (ADC) of approximately 5 patients per day from FY 2010 to present. In these circumstances, it is difficult to recruit and retain skilled providers as well as maintain their competencies. As a result, surgical procedures at Hot Springs have been curtailed due to an inability to recruit and retain surgeons and anesthesia providers. In addition, all of the hospitalists and after-hours physicians are currently locum tenens providers, or temporary staff hired on contract to fill staffing needs.

The most significant change proposed by VA BHHCS involves replacing the current medical center in Hot Springs with a new CBOC, and relocating the residential rehabilitation treatment program from Hot Springs to Rapid City, South Dakota. The overall goal of the reconfiguration is to realign services and resources, to provide safe, high quality, accessible, and cost-effective care, closer to where Veterans live.

In 2011, VA BHHCS began holding stakeholder meetings with Veterans, Veteran advocates, congressional offices, employees, community and business leaders, and the general public. VA conducted these meetings to answer questions, address concerns, and seek feedback to the proposals. On October 10, 2012, the Network and Facility Director briefed VA's Secretary and his staff on the feedback received, alternative proposals received, and potential alternatives for consideration. At the invitation of South Dakota Senator Tim Johnson, the Secretary met with representatives from the community of Hot Springs, and staff from the offices of Senator John Thune and Congresswoman Kristi Noem, in Washington, DC on January 28, 2013. A follow-up meeting was held on May 6, 2013, with VA Central Office subject matter experts and community representatives to provide those representatives with a better understanding of the data VA used to develop and support the reconfiguration proposal.

VA BHHCS initiated an Environmental Impact Statement (EIS) in early 2014, to evaluate the impact of the proposed reconfiguration of care in the Black Hills service area. VA has contracted Labat Environmental, Inc. through the required federal contracting process to assist VA with conducting the EIS process, including scoping, consultation, public involvement, EIS preparation, and finalization. In June 2014, ten public scoping meetings were held during this process at locations in South Dakota, Nebraska, and Wyoming. Additional public meetings will be conducted as the process continues. The EIS process is expected to take approximately 10–18 months, with a current completion date targeted for late 2015. Once the EIS is complete, the VA Secretary can make a decision regarding the proposed reconfiguration.

FOCUS ON ACCESS

VA BHHCS leadership is committed to preserving access to healthcare services. To be transparent and make optimal decisions regarding Veteran care, VA has openly shared access and quality data with stakeholders. Access is a challenge for a variety of reasons. VA BHHCS sites of care are insufficient to provide ready access to care for all Veterans within the large, highly rural service area. The limited availability of specialists is also a barrier, requiring some Veterans to travel to VA sites in Minneapolis, Minnesota, or Omaha, Nebraska, for needed specialty care. The recruitment and retention of physicians, nurses, and other healthcare providers has also been difficult, with physician specialists in orthopedics, urology, psychiatry, internal medicine, and inpatient hospitalists particularly problematic.

To address these challenges, VA BHHCS has expanded the use of non-VA care to provide access to services locally and shorten waiting times. This year, VA BHHCS is estimated to spend thirty-five million dollars for non-VA care, including inpatient, outpatient, and long-term care. A major benefit to Veterans has been the reduction of travel to VA tertiary care sites in Minneapolis, Minnesota, and Omaha, Nebraska; the reduction of out-of-pocket travel expenses for Veterans and their families; and the opportunity to be close to home when receiving medical care and services.

In addition, VA BHHCS has steadily increased the utilization of telehealth services. Mental health, clinical pharmacy, cardiology, oncology, infectious disease, pulmonary, neurology, and other specialty services are provided to Veterans in Hot Springs via Clinical Video Telehealth. Through the end of FY 2014's third quarter, 1,153 Clinical Video Telehealth encounters have been completed.

We are also working to improve communication with Veterans about appointment scheduling. VA BHHCS' efforts to bundle appointments for Veterans, ensure that appointment letters are accurate, and that the telephone reminder system is used, are helping to reduce the current 10 percent no-show rate.

The opening of a system-wide call center is providing Veterans the opportunity to get timely help with appointments, medication management, billing questions, and other matters. The center has been so successful that it now provides similar services for the Veterans served by the Fargo VA Healthcare System. In addition, other VA facilities have inquired about VA BHHCS providing call center support to their Veterans. Repeatedly, Veterans tell me how the call center makes it easier for them to conduct business with VA BHHCS.

We consider an important part of access to be outreach to Veterans who may be unaware of the scope of services for which they might be eligible. VA BHHCS conducts numerous outreach events throughout our service area, with particular emphasis on the four Native American reservations, Cheyenne River, Pine Ridge, Rosebud, and Standing Rock. Special attention is also given to Veterans of Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn (OEF/OIF/OND). Due to the large geographic service area, VA collaborates with other military, Veteran, and community service providers, to ensure Veterans and their families receive the care they need. Specialty OEF/OIF/OND case managers are assigned to

provide outreach to Veterans who live great distances from our main medical facilities, including those who are assigned to an outlying CBOC. Additionally, a Transition Patient Advocate works with the OEF/OIF/OND team assisting in an array of outreach efforts that facilitate integration of care for all generations of Veterans. Post deployment integrated care is available through the Patient Aligned Care Team Transition Clinic, a mobile team providing care at Fort Meade, Hot Springs, and the Rapid City Clinic. This team is staffed by a mid-level provider and a licensed practical nurse and is supported with a Medical Support Assistant for scheduling duties. As of this year, this clinic continues to serve the ongoing primary care needs of about 1,100 combat Veterans.

As a result of the many actions taken to improve timely access to care:

- Ninety one percent of new and established Veteran patients receiving direct care from VA BHHCS get an appointment within 30 days.
- As of August 4, 2014, there are only four Veterans on the Electronic Wait List (EWL). The EWL count is the total number of all new patients (i.e., those who have not been seen in a specific clinic in the previous 24 months) for whom appointments cannot be scheduled in 90 days or less.
- As of August 2, 2014, there are no Veterans on the New Enrollee Appointment Request (NEAR) List. The NEAR List is the total number of newly-enrolled Veterans, who have asked for an appointment during the enrollment process for whom an appointment has not yet been scheduled.

VA DEPARTMENT OF DEFENSE (DOD) SHARING AGREEMENT

The VA BHHCS' sharing program with DoD helps support a strong collaboration with VA and Ellsworth Air Force Base (AFB) leadership. VA continues to search for additional opportunities to share resources with DoD while improving cost effectiveness and efficiency in the provision of patient care. We are concentrating on the areas of radiology, dermatology, chronic pain management, and mental health. In 2005, VA BHHCS and Ellsworth AFB successfully submitted a Joint Incentive Fund (JIF) proposal to purchase a Magnetic Resonance Imaging (MRI) system for VA and DoD to share. The agencies received $2 million from the JIF, to use for this purpose. In 2007, VA BHHCS and Ellsworth AFB successfully completed a JIF proposal for a Sleep Lab, and received $443,000 for this purpose. In June 2011, VA BHHCS, Ellsworth AFB, and VA Dakota's Regional Office initiated disability examinations for active duty service members, through the Integrated Disability Examination System. More recently VA BHHCS is providing some surgical care and inpatient mental health services for active-duty military members through a local sharing agreement with Ellsworth AFB.

Projects in development include more robust provision of dermatology, pain management, physical therapy, and laboratory services. When a new Rapid City CBOC is opened, co-locating some VA and DoD services will provide improved access and services for Veterans, active-duty members, and their family members.

VA INDIAN HEALTH SERVICES (IHS) SHARING OPPORTUNITIES

VA BHHCS has taken the leadership role in the VISN 23 implementation of the national VA IHS Reimbursement Agreement, under which VA reimburses IHS for direct care services provided to eligible Native American Veterans in IHS facilities. VA BHHCS has developed strong relationships with the IHS and Tribal Health entities in Pine Ridge, Rosebud, Eagle Butte, and Rapid City, South Dakota, within the guidelines of the Reimbursement Agreement and is a leading VA facility in the amount of direct reimbursement to IHS facilities. A local sharing agreement with IHS supports non-Veteran Native American access to MRI services at Hot Springs. VA BHHCS also supports the direct referral of Native American Veterans seen in IHS facilities to VA specialty clinics, saving the Veteran an additional appointment with their primary care provider.

Projects under consideration include the provision of mobile MRI/Computerized Tomography services to multiple IHS hospital sites, a jointly operated telehealth network for access to scarce medical specialists, and a potential fee-for-service arrangement for a Tribal Health-operated mobile clinic.

OTHER SHARING OPPORTUNITIES

VA BHHCS enjoys positive relationships with other governmental agencies in the surrounding areas, and actively participates in the local community. VA BHHCS is the largest employer in both Sturgis and Hot Springs, South Dakota. VA BHHCS has strong relationships with the South Dakota State Veterans Home in Hot Springs; the Veterans Outreach Center in Rapid City, South Dakota; the Ellsworth AFB outside Rapid City, South Dakota; and the South Dakota and Nebraska Army National Guards. Through a lease agreement, the Fort Meade VA Medical Center

campus hosts the South Dakota Army National Guard 196th Regiment, which serves as a nationwide training center for hundreds of National Guard leaders every year.

In addition, VA BHHCS has a positive and mutually supportive relationship with the single non-profit hospital system in western South Dakota, the Regional Health System, and its affiliated healthcare centers.

There have been preliminary discussions with multiple community hospitals in South Dakota, Nebraska, and Wyoming, about establishing sharing agreements to care for Veterans. To date no sharing agreements have been completed; pending the decision on the reconfiguration proposal.

CONCLUSION

VA BHHCS is committed to providing high-quality care and services for our Veterans. We continue to focus on improving Veterans' access to care. Our location in a highly rural landscape presents VA with some of the same challenges faced by other healthcare systems in highly rural areas. The most significant of these is the ability to recruit and retain highly-skilled physicians and nurses. Throughout our service area, the scarcity of primary care providers and hospitalists is acute.

We sincerely appreciate the opportunity to appear before this distinguished panel to share with you the great work that the VA BHHCS provides to our Nation's heroes every day. We are pleased to respond to any questions or comments that you may have.