

**HEALTHY HIRING: ENABLING VA TO RECRUIT  
AND RETAIN QUALITY PROVIDERS**

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**HEARING**

BEFORE THE

**SUBCOMMITTEE ON HEALTH**

OF THE

**COMMITTEE ON VETERANS' AFFAIRS**

**U.S. HOUSE OF REPRESENTATIVES**

**ONE HUNDRED FIFTEENTH CONGRESS**

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## **HEALTHY HIRING: ENABLING VA TO RECRUIT AND RETAIN QUALITY PROVIDERS**

**Wednesday, March 22, 2017**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
SUBCOMMITTEE ON DISABILITY ASSISTANCE  
AND MEMORIAL AFFAIRS,  
*Washington, D.C.*

The Subcommittee met, pursuant to notice, at 2:06 p.m., in Room 334, Cannon House Office Building, Hon. Brad Wenstrup [Chairman of the Subcommittee] presiding.

Present: Representatives Wenstrup, Bilirakis, Radewagen, Dunn, Rutherford, Higgins, Brownley, Takano, Kuster, O'Rourke, and Correa.

### **OPENING STATEMENT OF BRAD WENSTRUP, CHAIRMAN**

Mr. WENSTRUP. The Subcommittee will come to order. Good afternoon and I thank you all for joining us. It is my pleasure to welcome you to today's Subcommittee on Health Oversight Hearing on the ability of the Department of Veterans Affairs, Veterans Health Administration, to recruit and retain top notch employees to serve our Nation's veterans.

Today's hearing comes as a timely follow up to legislation, H.R. 1367, that was considered in the House last week to grant VA expanded authorities to incentivize recruitment and retention of highly qualified and motivated employees and develop the next generation of VA leaders. H.R. 1367 unanimously passed the House last Friday morning by a vote of 412 to nothing and now is awaiting action in the Senate. You do not see that very often.

I hope our colleagues in our upper chamber will take note of the testimony discussed during today's hearing and act swiftly to get this much needed bipartisan legislation to the President's desk so that it can begin working for veteran patients and VA employees across the country.

While I am proud of last week's effort and convinced that if enacted H.R. 1367 will lead to improvements nationwide, I am aware that it is just the tip of the iceberg. VA continues to recruit new hires using a Federal hiring process that VA's own testimony today calls outdated and unduly burdensome. The Subcommittee continues to hear about prospective VA employees, some of whom are themselves veterans, who want to work for VA but accept other job offers because the VA on-boarding process is too cumbersome and too lengthy.

In 2014 Congress appropriated billions of dollars to help VA hire more medical staff. Three years later, it is unclear if the department used that money for its intended purpose, or hired any more clinicians with it than they would have without it.

As if those challenges were not enough, during today's hearing we will also be discussing the 2016 Government Accountability Office report that resulted in some very concerning conclusions about VA's human resources operations. According to GAO, VHA human resource offices are struggling to such an extent that they have undermined the department's most sacred mission: the ability to improve the delivery of health care services to veterans. What is more, the recent best places to work in the Federal government survey ranked VA second to last for large agencies in satisfaction among employees under the age of 40. That finding contributes to ongoing concerns that as the existing VA workforce becomes eligible to retire in vast numbers, VA is not well positioned to recruit and retain the young talent needed to guide the department into the future.

The Commission on Care summed it up best in their final report last year when the commissioners noted that VHA suffers from staffing shortages and vacancies at every level of the organization and across numerous critical positions. It lacks competitive pay to aid recruitment and retention of highly specialized positions and utilizes inflexible hiring processes, a talent management approach from the last century, and a confusing mix of personnel authorities and position standards. Together, these findings are to say the very least troubling. They clearly indicate a need for much further action to improve VA's ability to recruit and retain high performing staff and ensure that skilled candidates for open positions are quickly identified, successfully recruited, and swiftly hired.

I appreciate our panelists from VA, GAO, and the Partnership for Public Service, and the American Legion for being here today as part of an ongoing conversation into how together we can overcome the staffing challenges that VA currently faces and in doing so improve the provision of care and services to those veterans relying on VA to support and heal them.

I am very much looking forward to today's discussion and with that I will now yield to Ranking Member Brownley for any opening statement that she may have.

**OPENING STATEMENT OF JULIA BROWNLEY, RANKING MEMBER**

Ms. BROWNLEY. Thank you, Chairman Wenstrup. Thank you for your leadership in passing your legislation and our bipartisan legislation to improve the VA's ability to hire and retain health care providers at the VA. I also thank you for allowing my amendment to include the community based outpatient clinics, nursing homes, and Vet Centers in the GAO succession planning report. Thank you for supporting me on that. I look forward to working with you to get this important legislation passed in the Senate and to the President's desk as soon as we possibly, possibly can.

We passed this legislation because our veterans deserve timely, high quality health care, but that job is made so much more difficult if we cannot hire the health care providers we need. I know

from talking to staff at the Oxnard CBOC in my district in Ventura County, and with the director of the VA medical facility in West Los Angeles, that both facilities struggle to hire and retain health care providers and HR professionals.

The VA continues to struggle to address staffing shortages at the Oxnard CBOC. During my meeting with the West L.A. VA Medical Center I have heard that HR is one of their biggest challenges and last we spoke their HR Director position was unfilled.

The GAO's testimony and its report on VA's longstanding human capital challenges confirm what I have heard from the veterans in my district and the staff at our local VA medical centers. As the Chairman said, even though we have provided the VA with an additional \$2.2 billion in the Choice Act to hire additional health care staff, VA continues to struggle with recruiting and hiring of providers in the five clinical occupations with the largest staffing shortages.

Today we will hear from witnesses who I hope will help us understand the root causes of these staffing issues. I want to learn about the challenges VA HR professionals face and how the Federal hiring freeze affects the VA. As we know the hiring freeze does not exempt HR staff and without HR personnel I am concerned that the VA will not be able to bring on the health care providers they need to serve our veterans. I want to know if this is having a negative effect on VA's ability to fill the 45,000 vacancies in VHA.

I also welcome solutions to VA's human capital challenges from the VA and our veterans service organizations. I believe that more must be done to address the lengthy hiring process for health care providers. VA must do a better job at hiring and retaining the future health care workforce that they need to care for our veterans. I look forward to continuing the bipartisan work on this issue. And I yield back.

Mr. WENSTRUP. Thank you, Ms. Brownley. Joining us this afternoon on our first and only panel is Robert Goldenkoff, the Director of Strategic Issues at the Government Accountability Office; who is accompanied by Dr. Debra A. Draper, Ph.D., the Director of the Health Care Team for the Government Accountability Office; Max Stier, the Chief Executive Officer for the Partnership for Public Service; Louis Celli, Jr., the Director of National Veterans Affairs and Rehabilitation Division for the American Legion; and Steven Young, the Deputy Under Secretary for Health for Operations and Management for the Department of Veterans Affairs; who is accompanied by Dr. Paula Molloy, the Assistant Deputy Under Secretary for Health for Workforce Services. I want to thank you all for being here this afternoon. Mr. Goldenkoff, we will begin with you, and you are now recognized for five minutes.

#### **STATEMENT OF ROBERT GOLDENKOFF**

Mr. GOLDENKOFF. Chairman Wenstrup, Ranking Member Brownley, and Members of the Subcommittee, thank you for the opportunity to participate in today's hearing on VHA's ability to recruit and retain high quality clinical and administrative employees. Joining me this afternoon is my colleague, Debra Draper, a Director with GAO's health care team. The two of us are part of a large

GAO wide effort examining the various management challenges facing VA.

As you know, in February, 2015, GAO added improving veterans health care to its list of Federal high risk areas and GAO's oversight is aimed at ensuring that VA's resources are used to deliver cost effective health care to our Nation's veterans.

With respect to the recruitment and retention of clinical employees, to meet the growing demand for care, VHA has implemented a number of targeted hiring initiatives.

Nevertheless, we and others have expressed concerns about VHA's ability to ensure that it has the appropriate clinical workforce to meet the current and future needs of veterans due to such factors as national shortages and increased competition for clinical employees in hard to fill occupations.

As one example, retention is problematic. Our 2016 report found that attrition across the five clinical occupations at VHA with the largest staffing shortages increased each year from about 5,900 employees in fiscal year 2011 to about 7,700 employees in fiscal year 2015. Voluntary resignations were the primary drivers of VHA's losses for these occupations, which included physicians, registered nurses, physician assistants, psychologists, and physical therapists.

We also found that VHA had not evaluated the training resources provided to nurse recruiters at VA medical centers. As a result, VHA is unable to determine the effectiveness of its nurse recruitment and retention initiatives and whether VHA has an adequate and qualified nurse workforce to meet veterans health care needs.

The recruitment and retention challenges VHA is experiencing with its clinical workforce are due in part to VHA's limited HR capacity, including attrition among its HR employees and weak HR related internal control functions. For example, we found that between fiscal years 2011 and 2015 the majority of medical centers fell short of VHA's staffing goals. VHA determined that a ratio of one HR staff to 60 VHA employees was needed to provide quality HR services. In fiscal year 2015, however, about 116 of 139 medical centers fell short of this target, and half of the 116 had a ratio of one HR staff to 80 employees or worse.

According to the HR staff we interviewed these staffing levels reduced HR employees' ability to keep pace with work demands and led to such issues as delays in the hiring processes, problems with addressing important clinical hiring initiatives, and an increased risk of personnel processing and coding errors. To date VA has exempted 108 VHA occupations from the current hiring freeze because they are necessary to meet VHA's public safety responsibilities. However, the broad list of exemptions, ranging from physicians to housekeeping staff, did not include HR specialists even though VHA ranked human resource management as third on a list of mission critical occupations in its 2016 workforce succession plan.

Weaknesses in HR related internal control functions are also reducing VHA's ability to deliver HR services. For example, we found that central HR offices at VA and VHA have inadequate oversight of medical center HR offices, thus limiting VA's ability to hold the



local offices accountable for improving hiring processes, training HR staff, and implementing consistent classification processes.

In summary, recruitment and retention challenges among the ranks of VHA's clinical and HR employees are making it difficult for VHA to meet the health care needs of our Nation's veterans. GAO has recommended a number of actions to VA to address those challenges. VA concurred with them and going forward we will monitor VA's progress in implementing those recommendations and report the results of those efforts to Congress.

Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee, this completes my prepared statement. Debra and I will be pleased to respond to any questions that you may have.

[THE PREPARED STATEMENT OF ROBERT GOLDENKOFF APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you very much. We now go to Mr. Stier, you are recognized for five minutes.

#### **STATEMENT OF MAX STIER**

Mr. STIER. Great. Well thank you very much for having me at this hearing. It is a pleasure to be here. The first point I would make is that you are focused on the right issue. No organization can work well if it does not have the right talent and there are real issues on the talent side for VA, and VHA in particular. Ranking Member, you mentioned 45,000, my data says 48,000 vacancies. Under half of the VHA employees, only 44 percent, believe that their work unit is able to recruit the talent that they need. And again under half of the staff believes that they have the resources, the staff resources, they need to succeed. So these are very, very concerning figures.

Less than six percent of VHA is under the age of 30. And the final stat, obviously that has improved over time but still is not where it needs to be, is that you have 11 percent vacancy rate at the center director level, which is phenomenally important.

You mentioned earlier the great success you had and a remarkable success in a unanimous piece of legislation. Obviously getting it done, getting it passed by the Senate is critical here. There are a number of elements of that legislation that will make a difference. And I would highlight the fact that you got the passport idea that qualified individuals can come back into government at any level that they now are justified to, which is terrific. The idea of a talent exchange with the private sector I think is wonderful. My favorite is holding political appointees accountable, actually requiring them to have performance plans. I think that if I might say the fish rots from the top and you need the political appointees themselves to have, you know, performance plans that are transparent and that include management and in particular people management issues. There are, however, a number of issues that I think would, you could surface still today that would strengthen the VHA and VA's ability to get the right talent in. And I would highlight three of them.

The first of it begins with the VISN and the medical center directors. Your legislation included direct hire authority for them. Ini-

tially you had included something around market pay and had taken that out. I believe that was penny wise and pound foolish. At the end of the day you are looking at the most important element of success at VHA, which are the individuals running the medical centers and they are being paid under \$200,000 in a market place where their peers for the private sector are being paid \$700,000 and plus. And I think unless you are able to pay closer to market you are always going to have too many vacancies and you are not going to be able to draw the best talent in. It is a relatively small investment with high, high impact. And so I strongly urge you to bring that back.

Number two, I think you need to make it easier more broadly to recruit talent in. And there are several ways you can do that. Again, on the young, or the younger talent, under age 30, you should have direct hire authority for those that are coming out of college or are recent graduates. And that would I think deal with that imbalance in a very important way.

The standard for determining when you can have direct hire authority to hire. Right now they have to show a shortage of minimally qualified individuals. That is the wrong standard. It should be a shortage of highly qualified individuals. And that would then allow VA to actually recruit for mission critical people that are in short supply that they actually need. They do not need the minimally qualified. They need the highly qualified. And if they cannot find them, the rules should be easier for them to bring them in more easily.

And number three, it should be easier to hire executives from the outside. And that means including a process in recruiting executives that is akin to what all executives have to do in every other organizations. They do not have to fill out huge long essays in any other organization besides the Federal government. We have to normalize the process inside the government if we expect great talent from outside the government to want to come in.

I would end with three concluding observations that I think are important. And the first is that the talent issues that VA is facing are not unique to VA. And in fact the changes that are discussed here ought to be taking place across the entire government and then some. We have a system that was largely designed in 1949 for a world that is no longer. Work has changed. The world has changed. The government systems have not, and they are not going to be able to meet the talent needs unless they are. And so I would urge all of you to think about what can be done for VA but more broadly what can be done for the larger government.

The second, the hiring freeze that has been raised here, has been a real problem. Even when there are exceptions made, you are sending a signal into the talent market that the government cannot hire. You are confusing people. Clearly there should be an exception made for the HR. But beyond that you do not freeze in place something that you do not want. And we have a system right now that we should not want.

Now I would argue for beyond that that the hiring freeze only lasts another month and I would ask this Committee to think about what happens next. Because there are plans that are required from the executive branch. I am worried about that. I am

worried about the uncertainty. I am worried about the choices. And I think this Committee should care about what those choices are post the initial hiring freeze.

And then finally I think you need to think about how are you going to know whether these changes are really making a difference? How are you going to hold accountable the VA and the rest of government that they are actually getting better? There are so many opportunities that Congress has given to the executive branch, new authorities that either do not get used or do not scratch the real itch. And the real question is going to be how are you going to know, how are you going to learn, and how are you going to adapt and be agile to figure out how to get better at it?

So thank you for your time and for your engagement.

[THE PREPARED STATEMENT OF MAX STIER APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you very much. Mr. Celli, you are now recognized for five minutes.

#### **STATEMENT OF LOUIS J. CELLI, JR.**

Mr. CELLI. Mayo Clinic, Cleveland Clinic, Mass General Hospital, Johns Hopkins, billions of dollars in resources. They can hire any doctor or medical team in the country if they want them badly enough. Seemingly unlimited access to cash. Mayo has 4,000 doctors and half as many nurses. Cleveland Clinic has 3,000 doctors and 4,000 nurses. Mayo, a large rural hospital, has 1,243 beds, and in Cleveland, a large metro hospital, they have 1,278 beds. VA currently operates 1,233 health care centers, all simultaneously at the same time.

Chairman Wenstrup, Ranking Member Brownley, and distinguished, dedicated defenders of veterans who proudly serve on this Committee, on behalf of Charles Schmidt, the National Commander of the largest veterans service organization in the United States of America, representing 2.2 million dues paying, voting members, and combined with our American Legion family whose numbers exceed 3.5 million voters living in every district in America, it is my duty and honor to present the American Legion's position on how to enable VA to recruit and retain quality providers.

The top two hospitals in the country have two very different strategies. One has 4,000 docs and 2,000 nurses, while the other one has 43,000 nurses and 3,000 docs. Meanwhile in 2015 VA lost over 2,000 medical officers alone. We have got to do better. While VA may not have unlimited dollars to attract, recruit, and retain medical teams, they do have a vast sea of resources that they need to get more creative in using. VA has been doing more with less for decades and with greater demands on services and the striking increase in comorbidities being presented at VA today, VHA is going to have to start leveraging the resources they already have to attract and retain medical talent and they are going to need your help.

VA has statutory missions that include research, training, emergency preparedness, and all while providing world class health care to nearly half of our veteran population. The differences between VA and nearly every other hospital in America is selectivity. VA is

selective over who they serve, which insurances they can accept, how much to charge patients, and how they will accept payment, all while stretching to serve veterans in every corner of the country and abroad. This is a business model that no other hospital system in the country suffers under nor would they be able to survive if they were made to adhere to the regulatory guidance that VA has to follow.

Comparing VA to other American business models is just ridiculous. Here are five quick options to consider. One, open VA to more patients. Two, make VA more competitive and allow them to accept all forms of insurance, Medicare, Medicaid, etcetera. Three, make VA a destination employer by offering physicians rotations in research, emergency preparedness, education. Next, call on VA to stand up a medical school. It is within their statutory mission; they have the real estate; they have the expertise; they have the reputation; and they have the resources. Think service academies. Lastly, instruct VA to engage in public-private partnerships with community hospitals across the country by renting wings of existing hospitals. These are just a few suggestions that the American Legion continues to stand ready to work with this Committee and VA to move innovation forward.

That said, the first thing that needs to happen, is VA needs to start being treated fairly. The American Legion calls on Congress and the American people to treat VA with fair and balanced criticism, as well as praise. Stop taking cheap shots at our health care system. It is hurting veterans. It is hurting morale. And it is killing VA's recruiting efforts. We all have a moral obligation to make it better and not to torture it to death. Anyone that thinks that killing VA will save taxpayer dollars is woefully misinformed and either delusional or lying. Cost shifting to veterans has already begun and we expect it to get progressively worse. I am afraid that we may not be able to stem the tide.

VA can be more competitive if allowed to be, and the only outcry that you will start hearing will be coming from the private sector hospitals in the country who will accuse government of unfair competition. You want solutions, you want to reduce government's financial burden, you want to lower taxes, and really step up to the plate, take the handcuffs off of VA and let them really compete in the marketplace. Mayo, Cleveland, Mass General, competitive. VA, a slave to Congress, the media, and their own bureaucracy.

Only you have the power to fix what ails VA and it is not by supporting the status quo.

[THE PREPARED STATEMENT OF LOUIS J. CELLI, JR. APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Mr. Young, you are recognized for five minutes.

#### **STATEMENT OF STEVE YOUNG**

Mr. YOUNG. Good afternoon, Chairman Wenstrup, Ranking Member Brownley, and Members of the Subcommittee. Thank you for the opportunity to discuss VHA's ability to recruit and retain high quality employees. I am accompanied today by Dr. Paula Molloy, Assistant Deputy Under Secretary for Health for Workforce Services.

VHA is the largest health care system in the United States, with 170 VA medical centers, over 1,000 community based outpatient clinics, and more than 320,000 employees. I want to take a moment to recognize the HR employees who might be listening right now. They work with a variety of complex HR systems and I want to acknowledge that they are a talented, hardworking group who are focused on doing their job so that VHA can accomplish our mission to provide the health care our veterans have earned.

But this mission is hampered by outdated Federal HR processes. Furthermore, there is a national shortage of health care providers and VHA is competing with the commercial sector for these scarce resources. Consequently we are striving to update not only internal hiring practices, but also open to legislative assistance to reform VHA's recruitment, compensation, and accountability practices to stay competitive.

The Government Accountability Office released a report in December, 2016, management attention is needed to address systemic, longstanding human capital challenges. In this report GAO detailed how limited HR capacity combined with weak internal control practices undermine VHA's operations and its ability to improve delivery of health care services to veterans.

I am working closely with Dr. Molloy to ensure that HR operations teams in the field and the central office are aligned to address the issues identified in this GAO report. VHA concurs with GAO's assessment that high performing organizations seek to create effective incentive and reward systems that clearly link employee knowledge, skills, and contributions to organizational results. VA has been faced with significant caps on awards for several years, resulting in a limited pool of funds for employee recognition. While these caps were well intentioned to increase accountability, they also result in significant impediments to recruitment and retention in VHA. The cap for fiscal years 2017 and 2018 represents a significant decrease in available funding during a time when the market for clinicians is growing increasingly competitive.

VHA is entering into the next phase of an automated performance management system, called ePerformance. This system allows the development and sharing of consistent performance standards, goals, and competencies in a schedule to be completed in October of 2018. All employee survey results show that employees are eager for us to hold accountable those who do not meet our standards in respect for veterans and for one another. Employees want all staff to be held to uniform expectations, including being adjudicated fairly. We also know that employee engagement is the most effective at the work group level. We can monitor at the national level, but where it really happens is between employees and their immediate supervisors.

To achieve VHA's mission of providing exceptional patient centered care to America's veterans, it is essential to recruit and retain highly skilled and dedicated employees functioning at the top of their competency level, as well as to develop a talented succession pipeline. VA's national health care recruitment service provides a centralized in house team of skilled professional recruiters employing best practices to fill agencies' top clinical and executive positions. The national recruiters, nearly all of whom are veterans,

work directly with clinical leadership and local HR departments in the development of comprehensive, client centered recruitment strategies that address both current and future critical staffing needs.

Over the last year VHA's business process improvement efforts under the My VA critical staffing breakthrough initiative have resulted in a more efficient hiring process. As we continue our work to improve HR capacity across VHA, we are engaged with a department wide effort to improve employee experience through a complete overhaul of the on-boarding process. As Secretary Shulkin has expressed previously, we need all the tools that other health care organizations have: the ability to recruit the best employees, the ability to reward our top performers, and the ability to take meaningful actions when employees do not perform up to our standards. VA's primary concern during the hiring freeze is to ensure the health and safety of our veterans. Positions deemed necessary to meet national security or public safety responsibilities are exempt from the hiring freeze. And although HR positions are not exempt from the hiring freeze, we recognize that a well-trained and adequately resources HR staff is essential to recruit, hire, and retain high quality employees. Therefore we have processes in place to address case by case circumstances.

Mr. Chairman, I am proud of the health care our employees provide to our Nation's veterans. Together with Congress I look forward to making sure that VA can attract and retain the best medical providers and support staff to give our veterans the care they have earned and deserve. Thank you for the opportunity to testify before this Subcommittee. Paula and I look forward to your questions.

[THE PREPARED STATEMENT OF STEVE YOUNG APPEARS IN THE APPENDIX]

Mr. WENSTRUP. I want to thank you all very much for your testimonies here today. It is greatly appreciated. You know, we talk about some of the systems within the VA or processes have never changed in 30 or 40 years. And I think that highlights to me the importance of bringing people in from outside the VA because when you stay in the same system forever, you do not know what you do not know. And so that effort to reach out to people who come from other walks of life in the same fields can bring a lot to the table. And I appreciate that in the testimony today that we engage that further and continue down that line.

And I agree, Mr. Celli, competition drives excellence. And this is not a competitive arena, if you will, in so many ways. And I think that we have opportunities to change that. And I will say this, that there is a great desire, as a doctor and many doctor friends and even one last night coming up to me, he said I really want to treat veterans. But I want the process to be simpler. And one even said, maybe I just can come into VA, he is an anesthesiologist who does pain management. This is who you want treating pain, by the way, pain specialists. Too often we have doctors that do not specialize in pain management writing a lot of prescriptions. And we know what that has led to. So you know, we have people that want to come in. Would be willing to come in to the VA if the process was

easier, or if they could just lease a space in the VA and take care of patients through something like the Choice program. So we have opportunities here to bring excellent doctors in if we are open-minded about how we go about what we are doing.

And with that I am going to yield myself five minutes now for questions. And I want to start with you, Mr. Young, if I could, and hoping you can outline for me some of the hiring processes that you believe are outdated and burdensome, and maybe even provide us with a list of processes that you would like to see changed. Not necessarily this minute, but if you could provide us with a list at some point of things that you would like to see changed and what people at the VA would like to see changed so that they can do their job better. And one other thing in relation to that, do you track the number of prospective hires that are lost during the hiring process? And I will let you take all that in if you would. Thank you.

Mr. YOUNG. I think the first reaction would be some of the other items that have already been addressed in the opening comments, would be the direct hire authority and the ability to make it easier to come into government service. As was referenced, the, I do not think there are any other executives that are required to write a thesis to demonstrate what their competencies are related to the positions for which they are applying. And that is one of the things that we require for people coming into government service as a health care executive.

I would also defer to Dr. Molloy to talk a little bit more about some of those challenges.

Ms. MOLLOY. Certainly. So I think some of the work that we have done with our medical center director hiring, for example, provides a nice illustration of what some of these processes are. So for example with our medical center director hiring the way we used to do it in order to be compliant with OPM rules we would issue these single announcements for each individual location for which a medical center director was needed. The problem with that is we might get great candidates interested in one location, but if they did not apply to the other location we could not consider them for that. So what we have done to change that process internally is to do national announcements that cover all of the locations that are open. So what this illustrates is that there are a number of HR hiring rules under the regulations from OPM, this is just one example, where there are opportunities to streamline and make those processes easier and more common sense.

Mr. WENSTRUP. Well, if you could highlight those for us, I would appreciate hearing back from you on your ideas, and then how we can help assist in making that process possible. Mr. Young, in your written testimony you mentioned the local facilities employ nurse recruiters. Are there recruiters in place for other specific clinical positions that are needed? Or do we just kind of post it out there? Is there active recruitment for some of the specialties that you may need?

Mr. YOUNG. Each medical center has nurse recruiters. But at each network level we have recruiters that work on bringing in medical specialties. And they all actually work directly under central office but they are located out in the field for the explicit purpose of trying to recruit in hard to recruit medical specialties.

Mr. WENSTRUP. Is that effective in that way? Or would it be better at the local facility, do you think? Like you do for the nursing?

Mr. YOUNG. I believe that it is a nice blend, that they have the support and the guidance from VA central office but they are physically located out in the field and they are working to support the individual medical centers in that region of the country where they are.

Mr. WENSTRUP. So they do approach it at a local level?

Mr. YOUNG. Absolutely.

Mr. WENSTRUP. And if you could just in the time I have left elaborate a little bit on the VA's striving to update internal hiring practices? When will that effort be complete? And when can we expect to hear back from you on what you think is working or not working?

Ms. MOLLOY. So we just completed a process where we went out to all of our field locations and conducted a series of rapid process improvement work groups. And I would be happy to take for the record summarizing what those findings are, because those are really guiding our practices. What we found is that we, we have not come up with sort of a one size fits all model. But it is sort of a multiple set of models. So for example, one approach for nurses, another approach for physicians because of both local hiring conditions and also the professionals that we are trying to reach. You know, there are different hiring pools that we are looking at.

Mr. WENSTRUP. Is it within the realm to be able to reach out to places like the Cleveland Clinic and ask them what their process looks like?

Ms. MOLLOY. Absolutely.

Mr. WENSTRUP. And bring that in? Because it would be good to maybe get some comparisons of places that are highly successful in many ways and see if that outside advice could be helpful to us. With that, I now yield to Ranking Member Brownley for her questions.

Ms. BROWNLEY. Thank you, Mr. Chairman. So it has been stated that, you know, voluntary resignations are a big part of the reason for some of these empty positions, training, particularly within HR. So what is, why are we having all of these voluntary resignations? Is it just, they are aging out of the system? Or is it they are over-taxed and cannot take it anymore? Or what is the reason?

Ms. MOLLOY. So for HR, the information that we have seen from our exit survey data is, it is a combination of factors. In some cases it is career advancement, perhaps with another Federal agency. In other cases it might be family or personal reasons that is driving that attrition. But we are acutely aware that there is a lot of work that is placed on our HR professionals and it is something that I feel deeply personally about and want to make sure that we are providing the opportunities to expand the capabilities of our HR professionals through training to make their lives easier everyday on the job. And that we are also looking, in addition to being able to increase our ranks through things like our technical career field program, that we are also looking for efficiencies that can help make the work go smoother and more easily for folks.

Mr. YOUNG. And I would add that we do know that among our HR professionals that we see a fair amount of turnover for those



leaving VA to go to other Federal agencies because, candidly, the job is easier. In the VA we have three HR systems, Title 5, Title 38, Title 38 hybrid. It makes the HR professionals' jobs very complex. And frankly, the jobs can be easier elsewhere.

Ms. BROWNLEY. So, you know, in terms of all of the—well, let me back up. So, you know, the GAO has made some recommendations. It sounds like you are going to comply to those recommendations. Mr. Stier just gave a list of recommendations from his perspective. From what Mr. Stier suggested today, is there anything there that turns a lightbulb on for you of things that we should be looking at and doing?

Mr. YOUNG. I was particularly struck by a conversation we were actually having before the hearing started about the disparity in salaries. And I think that one of the, a mechanism that can be used to try to close that disparity is moving toward greater latitude with Title 38 as the hiring authority versus Title 5 for a range of positions within VA.

Mr. STIER. So might I just jump in for a second, too, on your attrition note. And what we do see at VA, again it was noted earlier that VA is the second lowest major agency in the government with respect to employee morale. It is quite interesting if you look at the HR workforce in particular, VA has actually made some progress in the last few years moving up, even though they are still in relative terms fairly low. That is not true for the HR workforce, which is going in the opposite direction. And I think there is tons of data that shows, you know, low morale, increased, you know, attrition. And the morale question is going to be complicated and I think you heard some of the reasons why in terms of complexity of task.

One of the things that we see consistently across the government is extremely high mission commitment clearly true at VA, and extremely low views about their leadership. And I think one thing again that is generic but extremely important across government and at VA is we do not invest enough in the leaders in the government and the managers in government. And this comes back to the broader civil service reform needs. We ought to have a system that allows great subject matter experts to stay on a track of improving as a subject matter expert and not be kicked into management as a way to be promoted. So we need to separate those two things. We need to have an improved investment in the supervisor and management capability of those that do go into management and we need leaders that see this as one of their core and primary responsibilities. These are basics and there is a lot more that can be done on that.

Ms. BROWNLEY. So are there, I see this as really an urgent, it is an urgent problem. We are only as good as the employees that we hire and can fulfill the mission. Are there strike teams when you look at positions across the country and we look at medical centers across the country and we know that there are empty seats, there are unfilled positions, these are the management teams, the leadership teams. Do we have a strike force that goes out and says, we have got to make sure that at least the management teams here are up to speed and running these hospitals effectively and efficiently. Is there any measure like that?

Mr. YOUNG. We certainly just recently sent in a team at a medical center that was having turnover in the leadership to do a baseline assessment of the organization, to basically give a gift to the new team coming in that says, these are the challenges that you are facing, these are some of our recommendations for how you approach it. We do also occasionally send in teams to assist in places where there are difficulties. As you commented in your opening comments, Congresswoman, about GLA and their HR team. We are sending in a team now to supplement the GLA human resources team to help them get back on their feet because they have had such turnover lately.

Ms. BROWNLEY. Thank you. I apologize. I yield back.

Mr. WENSTRUP. Mr. Bilirakis, you are recognized for five minutes.

Mr. BILIRAKIS. Thank you. Thank you, doctor, I appreciate it very much. Well I have got some urgent questions here. But I want to ask what are some of the roadblocks? I mean, I know you all talked about, for the panel, of hiring, recruiting physicians specifically here? I know about the salary disparity. Tell me how much that is. Maybe use the example of a primary care physician in this case. And then additional roadblocks. I know the General mentioned his friends that want to work for the VA. I had a doctor that came to me recently and said he applied to work as a volunteer for the VA, after hours or what have you, on his days off. And he said it took about 12 months to get approved. And so I mean where are the roadblocks here? What are we facing here? And how can we help? Who wants to go first? Yes.

Ms. DRAPER. So some of the issues, the challenges that we have heard in addition to things, the nationwide shortage of physicians and it is always difficult to recruit in rural areas. So those are common to every health care system. But I think specifically for VA, and we have heard this related to work that we have done recruiting mental health professionals and nurse recruitment and retention, some of the issues that are specific to VA are the lengthy onboarding process. So we have heard that it can take from three months to a year, and during that time they lose a lot of candidates because they are not willing to wait that long. So that is a big issue.

Mr. BILIRAKIS. You mentioned the mental health, excuse me, is that because there are a lack of psychiatrists, psychologists, mental health counselors? Or is it the salary issue?

Ms. DRAPER. Well we have heard about the pay disparity as well. We have also heard about that VA lacks some flexibility. And some of the common recruitment and retention tools, like relocation bonuses, retention bonuses, or signing, retention bonuses and signing bonuses that, you know, are more prevalent in the private sector and they have a lot more flexibility in the private sector. I think some of the other things that we have heard about is for clinical positions a lot of times they are doing administrative functions, so it really takes away from their clinical duties. For example, we have seen physicians often having to schedule their own appointments. So that is a real detriment to I think retaining and recruiting professionals.

Mr. BILIRAKIS. So physicians have to schedule their own appointments?

Ms. DRAPER. Sometimes, in some cases—

Mr. BILIRAKIS [continued]. In some cases they have to go back, I mean I am sure this is true in the private sector as well, but they have to go back and do the paperwork after they see the patient and they do not have the help that they need with regard to that?

Ms. DRAPER. They do not always have the administrative support that they need, that they may have in the private sector. That is what we have heard.

Mr. BILIRAKIS. Thank you. Anyone else?

Mr. STIER. Can I just jump in real quick and offer one other, and I think it is a great thematic, which is, you know, what is best in class being done elsewhere? So certainly at the senior leadership positions by and large in government and in the VA, they do not use executive search. And there is a whole, you know, industry that is designed to find best talent and that is what any, you know, large, well run organization is going to be using. And that is not a tool that is funded or used in any real way inside the government. And that means that you are certainly, you know, fighting with one hand tied behind your back.

Mr. BILIRAKIS. Okay. Question for Mr. Young, do you know in absolute numbers how many medical officers and in what specialties VA needs on a national level?

Mr. YOUNG. I do not have that information with me today but we could certainly take that for the record and bring that back.

Mr. BILIRAKIS. And if you could break that down to maybe regionally, and as far as facility, that level as well, we would appreciate that very much. Given that 27 percent of the medical officers left VA due to retirement, I think this was covered, do you know the average age of medical officers in VA? And how many are currently or will be at retirement age in the next decade? How are you planning to compensate for the loss of these retirees? So this is again for Mr. Young.

Mr. YOUNG. I don't have the average age right now, but I can say that we recruit on an ongoing basis to bring in new talent to take advantage, frankly, of the academic relationships that we have. As you know, VA trains—70 percent of the physicians in America have had some part of their training inside of VA. We try to take advantage of that when they are inside the building and work with them about joining VA whenever they have completed their training.

So we look for that—those, you know, people coming out of their training programs and having them come into VA as part of their career.

Mr. BILIRAKIS. Thank you very much. I appreciate it.

I yield back, Mr. Chairman.

Mr. WENSTRUP. Mr. Takano, you are now recognized for five minutes.

Mr. TAKANO. Thank you, Mr. Chairman. This is either for the GAO or for the VA. I have heard a story, I mean, two years ago, it was directly related to me by—I can't remember if the graduate was from USC or UCLA—a gastroenterologist, a young one, interested in working for the VA. They spotted a vacancy, applied through, I guess, the Web site, and never heard back, never got an

acknowledgment that they even applied. I see a nodding head over there, is that a kind of experience that you have heard about?

Mr. GOLDENKOFF. Yeah. Anecdotally those are the kinds of stories that we have been hearing, and it doesn't do much either for the individual who applied or just for the agency's brand itself when you apply and you never hear back, you don't know where your application is, it falls into a black hole, it sends the impression that Uncle Sam doesn't want you.

Mr. TAKANO. Well, is it typical for someone who is a gastroenterologist, is the first step for such medical professionals applications to the Web site?

Ms. MOLLOY. So we do announce all of our positions via the USA Jobs Web site.

Mr. TAKANO. USA Jobs Web site?

Ms. MOLLOY. Yes. So in this case that is where that particular person found that. But we actually do have a very high-touch approach as well. So we—it is not exclusively that we work through the Web site. So we do have a national physician recruiter that really does a high-touch approach and will reach out directly to candidates of whom they have some awareness. So it is a combination.

Mr. TAKANO. High-touch in the way that, is it Mr.—from the—I can't see your name for the—

Ms. MOLLOY. Mr. Stier.

Mr. TAKANO [continued]. Mr. Stier. Mr. Stier referred to as executive recruiting?

Ms. MOLLOY. It operates like a commercial headhunter except it is inside our walls inside the VA.

Mr. TAKANO. There is a question I had about the GMEs. As I understand it, support staff to manage GME expansion and administer the VA's GME programs, Graduate Medical School Education Program, such as the Education Department Debt Reduction Program, the Employee Incentive Scholarship Program, Health Professional Scholarship Program, and the increase in residency positions to 1,500 GMEs under the Choice Act, the support administrative staff for these programs are not exempt from the hiring freeze; is that right?

Ms. MOLLOY. That would depend on the occupational series, but in general, I would say they are likely not the administrative support, that would be correct.

Mr. TAKANO. And I know that we have had trouble. I mean, this is kind of frustrating. Mr. O'Rourke's bill that I was on—actually it was Ms. Titus, and Mr. O'Rourke, and I were also a co-sponsor of that bill—pretty remarkable. New mandatory spending that got us 1,500 new GMEs and we have only been able to actually, I guess, deploy about 300 out of the 1,500, and we just passed an extension to give more time for those GMEs to be used. But now you are telling me this hiring freeze is going to impede by virtue of the fact we don't have administrative support positions to actually look at that.

Ms. MOLLOY. So it may be impacting the administrative support positions, I would like to take that for the record, but it will not be impacting the ability to actually bring GMEs into the program.

So our clinical trainee programs are still moving forward, and we are able to bring those folks in.

Mr. TAKANO. So with regard to the other program—well, I will try and get down—you know, under-served and rural areas often rely on doctors from foreign countries to practice in the United States in their communities. In fact, I have a New York Times article which highlights an Iranian oncologist who was prevented from traveling to San Bernardino—which is right near my community, near Loma Linda, with Loma Linda VA—earlier this year.

Has the VHA been affected by the President's travel ban? And has VHA been affected by the visa processing slow down?

Ms. MOLLOY. With regard to the travel ban, I would need to take that for the record. Also regarding any issues related to processing of visas.

Mr. TAKANO. And what are VHA's efforts to recruit internationally and to recruit providers to serve in rural and under-served areas?

Ms. MOLLOY. So we do utilize the J-1 visa program, which allows us to hire those folks under that program if we have been unable to find either a U.S. citizen or a resident to serve that area after we have announced the position, and I would be happy to come back to you with additional detailed information as part of a response for the record.

Mr. TAKANO. And what are VHA's efforts to recruit foreign providers participating in residencies and training programs with its affiliates?

Ms. MOLLOY. So as Mr. Young mentioned, we are very interested in being able to bring in any provider who is going through our training program. So I will provide you with more details on that.

Mr. TAKANO. All right. Thank you.

Mr. Chairman, I yield back.

Mr. WENSTRUP. Ms. Radewagen, you are now recognized for five minutes.

Ms. RADEWAGEN. Thank you, Mr. Chairman, Talofa, and I want to thank the panel for being here today.

Veterans' health concerns are an issue I hold close to my heart. I represent the territory of American Samoa, and from the Army's own Web site our recruitment depot has the highest recruitment rate out of all 885 recruitment depots.

Samoa's sons and daughters enlist in the armed forces at a rate ten times greater than areas here on the mainland. I find it quite distressful then that my constituents who greater rely on the services of the Department of Veterans Affairs often have to travel to Hawaii for medical care. That is over 2,500 miles. Now, the onus of the blame cannot solely be placed on the Department of Veterans Affairs; it is failure of action here in Congress as well that punishes veterans.

My question is, and all of you can answer, and Mr. Takano brought up part of it. I noticed that some of you mentioned the difficulty of retaining VA employees in rural areas, and that is also a problem for us in remote islands, say, the territories. What would you recommend to keep VA employees in remote and rural areas?

Mr. CELLI. Can I get one?

Ms. RADEWAGEN. Yes.

Mr. CELLI. Thanks.

Ms. RADEWAGEN. Mr. Celli.

Mr. CELLI. So VA employees, and VA physicians specifically, have a very high burnout rate. And one of the reasons that they are stressed to the degree that they are and they have the high burnout rate is because they lack a lot of the support mechanisms, as you have heard here from some of the other panelists, that other hospitals and other physicians have. One of the reasons that they lack that support mechanism is because VA, historically, has done a horrible job in succession planning.

At any number of facilities at any time you will find an acting director, an acting deputy director, an acting—or transitional leadership who are afraid to make decisions, who feel that once that permanent placement is made, then they will just go back to being a regular employee without the leadership that they are exhibiting now, and it really—it causes huge problems.

Hospitals, again, civilian hospitals don't work that way, they don't have that struggle. They have leadership development and they have succession planning, and VA needs to get on the—get on-board with succession planning.

Ms. RADEWAGEN. Thank you. Anyone else? Mr. Stier? Mr. Steer?

Mr. STIER. Stier.

Ms. RADEWAGEN. Stier.

Mr. STIER. You have forced me to answer the question now by giving me two choices of the name.

Look, I don't have a lot to add, but, clearly, you know, the opportunity to increase the flexibilities of the organization, part of the challenge in Government is so much—becomes a—it is a rule based culture where everything is treated the same across the whole organization when, as you suggest, there are some substantial differences in different areas that may require different kinds of encouragement to get the right talent.

So I think, in my view, the most important thing you could do is to provide, you know, real tools and flexibilities to the leadership at VA so that they can design the right kind of retention programs for, you know, the different areas in our country. And rather than trying to pick out, you know, individual tools and say this is going to work for everybody, at the end of the day you need good leaders and good managers that are going to be able to figure out the problems like this one in an effective way. So I would invest in your leadership and give them, you know, more flexibility, which, by and large, they don't have a lot of.

Mr. YOUNG. And I would add to just go to the issue of health care in more rural areas or difficult to get to places. I came to this job after seven years as a medical center director in a western state where it wasn't quite 2,500 miles to get to the health care, but we had some pretty remote areas that we were responsible for, and we utilized telehealth technologies.

And I think that that is one of the areas that we need to do more of, especially in areas such as American Samoa, to be able to link people with these—the emerging technologies to provide health care in more remote areas with wherever clinicians may be to be able to link them better together. So I think that is one of the

areas that we need to work even harder at. We have been doing a decent job of it, but we have got more that we can do.

Ms. RADEWAGEN. Thank you.

Mr. Chairman, I yield back.

Mr. WENSTRUP. Thank you.

Mr. O'Rourke, you are now recognized for five minutes.

Mr. O'ROURKE. Thank you, Mr. Chairman. And I would like to add my thanks to the others for your work on the hiring reform bill that passed last week, and I am also looking forward to that being speedily passed by the Senate, and signed into law, and being able to see the positive effects of that soon.

And, Mr. Young, before the hearing started, you kindly offered to assist us in El Paso as we strive to hire our full complement of mental health care staff in a community that has had a real struggle with mental health care access. So I want to thank you. Samantha O'Guerra, who is sitting behind me, is going to call you right after this hearing to follow up on that. We want to get working on it, and so thank you.

And I will tell you a couple things. One, part of our struggle is that for two years in El Paso—getting back to, I believe, the 11 percent number that Mr. Stier gave us—we have not had a permanent director, and it is really hard to hire into a poorly performing medical center that doesn't have a coach.

Like, how do you recruit the player to play for a temporary coach. We finally had someone. Thank you, Colonel Amaral, who was the chief of staff at the William Beaumont Army Medical Treatment Facility. And even though he was a chief of staff at a medical treatment facility, and even though, I think, we, the VA, recruited him, it took a year to bring him onboard and he had to do these ridiculous essays, some of which got rejected and he had to rework.

So just real quickly, is that within the administrations' purview to change through OPM or is it an act of Congress? Can we do away with the essay tomorrow?

Mr. YOUNG. I am going to break a cardinal rule and speculate when testifying. I believe that that is not within our purview to—

Mr. O'ROURKE. You need an act of Congress? Mr. Stier, you have an answer?

Mr. STIER [continued]. I do, and I am not speculating, but I can still be wrong.

Mr. O'ROURKE. Okay. Let's hear it.

Mr. STIER. Hopefully that is not the case. But the answer is, yes. You know, VA could actually simply require a resume for hiring. They are not required to get all those essays. However, there is a process, it is called the QRB, in which the office's quality review board, in which the office of personnel management then reviews all the choices that the agencies make. And in our view, that is an unnecessary process.

Mr. O'ROURKE. Is that an act of Congress?

Mr. STIER. And that would require—yeah, I don't—unless you got OPM to change things, which they probably could, you probably—ultimately to make it happen you would need some congressional legislation on that.

Mr. O'ROURKE. Okay. So you are going to get back to us and tell us if you will—if we believe Mr. Stier is correct, you will forego the essay requirement going forward for directors?

Ms. MOLLOY. So the answer is yes. And to be clear, we do not require that essay as part of the initial application, we do use a resume only—

Mr. O'ROURKE. This guy had to fill out an essay—

Ms. MOLLOY [continued]. —for the initial application.

Mr. O'ROURKE [continued]. —and that was part of the hold up, so—

Ms. MOLLOY. Correct.

Mr. O'ROURKE [continued]. —something—

Ms. MOLLOY [continued]. But it is—

Mr. O'ROURKE [continued]. You know what I am asking—

Ms. MOLLOY. Yes.

Mr. O'ROURKE [continued]. —and what I want.

Ms. MOLLOY. It is required on the back end. Yeah.

Mr. O'ROURKE. Yeah. Okay. I want to ask you, Mr. Young, so when we were first selected and were sworn in in 2013, we had 68 full-time equivalent mental health staff, and that was part of the problem, and we had a real hard time hiring in.

We put some pressure, we asked for help, VA gave it and we are grateful for it, and I also have become part of the recruiting staff. And with the permission of the applicant, the recruiter gives me their name, I call them, I am making a call to Guam tomorrow for a husband and wife team that we are trying to recruit to El Paso.

We started with 68 FTE, we are at 98. We have 120 authorized and appropriated for. What are the consequences for the recruiter not making it to 120? Can the recruiter come back to you and say, you know, it is El Paso, it is the VA, we have 45,000 or 47,000 clinical positions, we are short, life is tough, we just can't make it, or are there defined goals they have to hit or else? Where is the urgency, in other words? But I want to hear what the accountability is.

Ms. MOLLOY. Understood. So let me take that back for the record, I want to see what—actually what is in the performance plans for the recruiter.

Mr. O'ROURKE. I think it is very telling that you don't have an answer for that. And, you know, I think it is telling that you have got Members of Congress who are making the recruitment phone calls to get people hired in, and Members of Congress who are having to call OPM to ask why the heck somebody's filling out an essay when we desperately need their leadership.

And it also makes me sometimes question—although I like Colonel Amaral a lot, I just got off the phone with him, we are very lucky to have his service, but after a year waiting, I am kind of thinking, who is the guy that wants to work at the VA after being jerked around for a year. I mean, you know, is that who we are trying to attract here? It just turns out this guy is—got a heart for public service, and is willing to do it, and really wants to help out veterans. But, I mean, it almost begs the question.

So really I am looking for your responses that you have promised me for the record including the consequences for recruiters not



meeting a quota, if there is, in fact, a quota, which there should be.

Mr. Chairman, thank you.

Mr. WENSTRUP. Thank you. I have had the same experience where I have had doctors that I know for years, and they call me and say, I am waiting, waiting, waiting, I want to go work at the VA. So we have got work to do.

Mr. Rutherford, you are now recognized.

Mr. RUTHERFORD. Thank you, Mr. Chairman, I will keep this very brief, I know we have votes coming up.

I just want to ask very quickly of the GAO. We have heard lots of testimony in other Committees about official time, and during those discussions I can tell you I begin to wonder sometimes who is running the zoo because I can't figure out who is actually in charge, whether it is management or the unions.

Can you tell me your perception of the union/management relationship and how well that is actually working? Because I think it goes back to something that Mr. Celli said, that I agree with wholeheartedly, I know that people join organizations, they quit people. And they quit people because of lack of leadership and lack of organization, because leadership is your organization, and lack of training. And those are the two things that Mr. Celli brought up that really struck me as a former CEO.

So can you talk about the relationship between management and their ability to do their job, to lead the organization, and the union?

Mr. GOLDENKOFF. Sure. Well, not so much the union because our work has not addressed that, but in terms of just the broader issue about leadership and their ability to engage the workforce. I mean, that is one of the single largest morale busters is that leadership turnover.

It prevents a lack of strategic vision, you have people coming and going, it is a revolving door. Just when the employees start getting on board with one leader and their priorities, a new leader comes in, it is a whole new set of priorities, and it is hard to keep up with that, and it does affect morale and engagement.

And we actually—you can see it in some of the numbers, for example, GAO, we have identified six drivers of employee engagement. And these are efforts or attributes, things that basically make you go the extra mile within an organization, really make you passionate about the work. And they are things like constructive performance conversations, career development and training, work/life balance, developing inclusive work/life environment.

VHA employees, they were less satisfied on all six drivers of employee engagement than the government wide average. And so you can see that this is having an impact—

Mr. RUTHERFORD. Right.

Mr. GOLDENKOFF [continued]. —when the leadership and the turnover, it really does affect people's desire to stay in an organization and how they feel about it.

Mr. RUTHERFORD. Thank you.

Dr. Draper, do you have anything real quick so I can turn this over to my colleagues?

Ms. DRAPER. Only thing I would add is in—the VA does do exit surveys of exiting employees, and of those that voluntarily have quit, the two common drivers were lack of advancement, but the other piece was dissatisfaction with elements of the work, including management. So I think there is—it sort of reiterates what Robert said.

Mr. RUTHERFORD. Yeah, I think that is coming through in these Committee meetings. Thank you very much. And I yield back, Mr. Chairman.

Mr. WENSTRUP. Thank you.

Votes have been called, it is a 15 minute vote. I would like to try to give these other gentlemen the opportunity. Mr. Higgins, you are now recognized.

Mr. HIGGINS. Thank you, Mr. Chairman.

Mr. Young, I am sure you are aware that during his confirmation hearing last month, Secretary Shulkin testified that there are 45,000 vacancies across the VHA. Can you provide a breakdown of those vacancies by location and by occupation for the record for us because of the 1,000—I believe you stated 1,223 facilities—but we have 320,000 employees listed, that is quite a large number of employees for that number of facilities. So who are these? What are the occupations and job descriptions of these 45,000?

Mr. YOUNG. We can certainly bring that information back for the record.

Mr. HIGGINS. All right.

Mr. YOUNG. I think it is important to—

Mr. HIGGINS. And of the 320,000, does that include the 45,000 vacancies, or is that to be added?

Mr. YOUNG [continued]. The 320,000 is the current number of on-board.

Mr. HIGGINS. So we are talking about 360,000 employees for 1,223 facilities? Just to be clear.

Mr. YOUNG. Yeah.

Mr. HIGGINS. All right.

Mr. YOUNG. And it is important to note that the 45,000 are the number that are in recruitment. There is nuance in that as to whether those are one-to-one relationships because you might be recruiting for a psychiatrist, a psychologist, a social worker, and a nurse practitioner for only one vacancy, but that is nuance. But largely that figure is true.

Mr. CELLI. Hold on. To be clear, and I am not sure that Mr. Young completely understood your question. That 360,000 employees is VA wide, not VHA.

Mr. HIGGINS. All right.

Mr. CELLI. You are talking about VHA?

Mr. HIGGINS. Yes. Is the states' VHA.

Mr. YOUNG. Yeah. Three hundred and eleven thousand.

Mr. CELLI. Right.

Mr. YOUNG. Three hundred and eleven thousand, three hundred and twelve thousand for VHA.

Mr. HIGGINS. So VHA employees has 300 and—

Mr. YOUNG. Twelve.

Mr. HIGGINS [continued]. —12,000. That is close to 320.

Thank you very much, Mr. Chairman. I yield back.

Mr. WENSTRUP. Dr. Dunn, you are now recognized.

Mr. DUNN. Recognizing that we are very short on time, let me ask you—let me just task you with a few questions to come back with some information that we all would like. And it is reflective of Captain Higgins' comments as well, which is, you know, we want to get our arms around this and get a feeling for how big this thing is, and how, you know, measure the problem, but also let's measure the size of the VA.

So what we would like to have you do is share with the Committee information regarding—so their MOS. You know, how many docs, how many surgeons, how many primary care, how many total employees? Again, where they are located. And that is something I think that you could pull together pretty quickly for us, and save us the Google search and all these things.

Also, I would like to have a sense of exactly what the budget is for the VHA as well as the VA, so we are separating those two, the budget, how much money is actually flows through those? So we can do some apportioning and figure out what we are doing.

Then the very hard number to come by, and I have asked the CRS to generate it for me, but they failed, and that is what is the cost of a patient encounter in the VA? I mean, and I am talking health now, not when they get a call for to schedule an appointment, or they get six calls to schedule the same appointment, I want to know, you know, I am talking—I am a doctor—a real, honest to god, health encounter whether it is surgery, or visit in the office, and if you can break those things out. That is the kind of information that allows us to sort of, you know, assess—understand what you are dealing with there.

And I guess the final thing I would like to do is, also we have talked a lot about highly paid employees here, I would like to get a sense of what the pay scale is for the physicians and mid-levels that are in the VA, and, you know, I have a pretty good sense of what that costs on the outside. I have never actually been employed by the VA, though like every other doctor, I have worked there.

So those are just requests that I know that you don't have those numbers on the tip of your fingers, but I think those would be very helpful to a number of Members of the Committee.

And, finally, I just want to say, Ms. Radewagen is gone, but she is right, the Samoans participate to an incredible degree in, you know, volunteering for our armed services, and they deserve to be recognized for that. And I have served with them in Samoa, so I—she is right, they are a great group. Thank you. I yield back.

Mr. WENSTRUP. Thank you. Thank you all. I am sorry we are cutting this short, but I want to thank you again. Before today's hearing adjourns, on behalf of Chairman Roe and myself, I would like to extend a very special congratulations, and the Committee's most sincere gratitude, to the chief clerk of the Committee on Veterans Affairs, Jessica Eggimann, who is clerking her final hearing for the Committee this afternoon. Thank you very much, Jessica.

After six years as the committee's chief clerk, legislative coordinator, and office manager, Jessica has been presented with a very exciting opportunity to work at her alma mater, Converse College in Spartanburg, South Carolina. So on behalf of all Members of

this Committee, thank you, Jessica, best wishes on your next chapter, and we will miss you.

And if there are no further questions, this panel is now excused. And I ask unanimous consent that all Members have five legislative days to revise and extend their remarks, and include extraneous material.

Without objection, so ordered.

The hearing is now adjourned.

[Whereupon, at 3:41 p.m., the Committee and Subcommittee was adjourned.]

# A P P E N D I X

## Prepared Statement of Robert Goldenkoff

### ACTIONS NEEDED TO BETTER RECRUIT AND RETAIN CLINICAL AND ADMINISTRATIVE STAFF

Thank you for the opportunity to participate in today's hearing on the ability of the Department of Veterans Affairs' (VA) Veterans Health Administration (VHA) to recruit and retain high-quality clinical and administrative employees.

VHA operates one of the largest health care systems in the country. As of fiscal year 2015, it included about 317,000 employees in Veterans Integrated Service Networks (VISN) overseeing 168 medical centers and more than 1,000 outpatient facilities.<sup>1</sup> VHA provided care to about 6.7 million veterans in fiscal year 2015 and the demand for its services is expected to grow in the coming years due, in part, to service members returning from the United States' military operations in Afghanistan and Iraq and the growing needs of an aging veteran population. Attracting, hiring, and retaining top talent is critical to VHA's mission to provide quality and timely care for our nation's veterans.

According to a June 2016 evaluation by the Commission on Care, VHA provides health care that is, in many ways, comparable or better in clinical quality to that generally available in the private sector.<sup>2</sup> Still, the care is inconsistent from facility to facility. Our prior work has described the human capital challenges facing VHA, including difficulties ensuring it has the appropriate clinical and administrative workforce to meet the current and future needs of veterans<sup>3</sup>. In February 2015, we added managing risks and improving veterans' health care to our list of federal high-risk areas, and we continue to be concerned about VA's ability to ensure its resources are being used cost-effectively and efficiently to improve veterans' timely access to health care and to ensure the quality and safety of that care.<sup>4</sup>

Our remarks today will focus on (1) the difficulties VHA is facing in recruiting and retaining staff for key clinical positions, and (2) VHA's capacity to perform key human resources (HR) functions needed to address those difficulties. As requested, we will also discuss the implications of the recently imposed federal hiring freeze on VHA's staffing levels and ability to meet its mission.

Our bottom line is that recruitment challenges and turnover among clinical and HR employees are threatening VHA's ability to meet the health care needs of our nation's veterans. In addition, VHA's weak HR-related internal control practices

<sup>1</sup> VHA organizes its system of care into regional networks called VISNs. Each VISN is responsible for managing and overseeing VA medical centers within a defined geographic area and reporting to the Deputy Under Secretary for Health for Operations and Management within VHA's central office. In October 2015, VHA began realigning its VISN network, which included merging several VISNs; when complete, this realignment will decrease the number of VISNs from 21 to 18. See GAO, VA Health Care: Processes to Evaluate, Implement, and Monitor Organizational Structure Changes Needed, GAO 16 803 (Washington, D.C.: Sept. 27, 2016).

<sup>2</sup> In an effort to help VA address various management weaknesses, Congress enacted the Veterans Access, Choice, and Accountability Act of 2014, also known as the Choice Act (Pub. L. No. 113-146, 128 Stat. 1754 (August 7, 2014)) (hereafter, Choice Act), as amended by Pub. L. No. 113-175, 128 Stat. 1901 (Sept. 26, 2014) (Department of Veterans Affairs Expiring Authorities Act of 2014). Among other things, the Choice Act established the Commission on Care. This independent entity evaluated veterans' access to VA health care and assessed how veterans' care should be organized and delivered during the next 20 years.

<sup>3</sup> See, for example, GAO, Veterans Health Administration: Management Attention Is Needed to Address Systemic, Long-standing Human Capital Challenges, GAO 17 30 (Washington, D.C.: Dec. 23, 2016); Veterans Health Administration: Personnel Data Show Losses Increased for Clinical Occupations from Fiscal Year 2011 through 2015, Driven by Voluntary Resignations and Retirements, GAO 16 666R (Washington, D.C.: July 29, 2016); and VA Health Care: Oversight Improvements Needed for Nurse Recruitment and Retention Initiatives, GAO 15 794 (Washington, D.C.: Sept. 30, 2015).

<sup>4</sup> GAO, High-Risk Series: An Update, GAO 15 290 (Washington, D.C.: Feb. 11, 2015).

have undermined its HR operations and its ability to effectively support its mission. Going forward, management attention—beginning with the recently confirmed VA Secretary—and continued strong congressional oversight will be needed to address those challenges.

This testimony is based on our recent work.<sup>5</sup> For those studies, among other things, we reviewed key documents such as VHA directives, policies, and guidance; analyzed VHA employment and attitudinal data; reviewed applicable federal internal control standards; and interviewed knowledgeable officials from VHA and VA in both headquarters offices, as well as in eight VA medical centers across the country selected for such attributes as facility complexity and rural versus urban location. Our reports provide further details on our scope and methodology.

The work on which this statement is based was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### Background

VHA's health care mission is broad in that it provides veterans with a wide range of health care services. These services include primary care and surgery and unique specialized care, such as treatment for post-traumatic stress disorder, traumatic brain injury, and readjustment counseling. VHA is also a leader in medical research and the largest provider of health care training in the United States.<sup>6</sup> As such, each medical center hires employees in a wide range of clinical and administrative professions, from nurses and physicians to hospital administrators, police, and housekeepers.<sup>7</sup> These employees are covered by three types of personnel systems:<sup>8</sup>

- Title 5 of the U.S. Code (Title 5): The majority of federal employees across the government are hired under the authority of Title 5; at VHA, employees under this personnel system hold positions such as police officers, accountants, and HR management.<sup>9</sup>
- Title 38 of the U.S. Code (Title 38): VA's separate personnel system for appointing medical staff including physicians, dentists, and registered nurses. These appointments are made based on an individual's qualifications and professional attainments in accordance with standards established by VA's Secretary.<sup>10</sup>
- Title 38–Hybrid: Employees under this personnel system hold positions such as respiratory, occupational, or physical therapists; social workers; and pharmacists. This system combines elements of both Title 5 (such as for performance appraisal, leave, and duty hours) and Title 38 (such as for appointment, advancement, and pay).<sup>11</sup>

Each of these personnel systems has different requirements (and flexibilities) related to recruitment and hiring, performance management, and other areas served by VHA's HR staff.

VHA's HR functions are decentralized. Each of VHA's VISNs has an HR office that oversees the medical center-level HR offices within its network. In general, each VA medical center has its own HR office led by an HR officer. Individual HR offices are responsible for managing employee recruitment and staffing, employee benefits, compensation, employee and labor relations, and overseeing the annual employee performance appraisal process. Medical center HR offices also provide HR services to employees at VHA's community-based living centers, rehabilitation centers, and outpatient centers. VHA's HR staff are classified as either an HR spe-

<sup>5</sup> GAO 17 30, GAO 16 666R, and GAO 15 794.

<sup>6</sup> According to VHA, the department provides clinical traineeships and fellowships to more than 100,000 students in more than 40 professions each year.

<sup>7</sup> In 2015, VHA had about 54,000 registered nurses, 19,000 physicians, 1,000 dentists, and 81,000 other staff including, among others, medical support assistants, administrative staff, and police.

<sup>8</sup> In this testimony, for ease of comprehension, we refer to the respective personnel systems by the terms that VA uses, which loosely correspond to the applicable codification in the U.S. Code which authorizes those personnel systems.

<sup>9</sup> Title 5 of the U.S. Code provides the authority for government organization and employees.

<sup>10</sup> Title 38 of the U.S. Code provides the authority for veterans' benefits and includes provisions which cover certain employees of the VA.

<sup>11</sup> The appointing authority for employees under Title 38 and Title 38–Hybrid differ. Title 38 employees are appointed under the authority of 38 U.S.C. § 7401 and Title 38–Hybrid employees are appointed under the authority of 38 U.S.C. §§ 7403 or 7405.

cialist, who manages, supervises, and delivers HR products and services; or an HR assistant, who provides administrative support to HR specialists.

#### **Attrition in Clinical Positions Driven by Voluntary Resignations and Retirements**

##### **VHA Losses for the 5 Occupations with the Largest Shortages Increased from Fiscal Year 2011 through 2015**

In our 2016 report on VHA clinical employee retention,<sup>12</sup> we noted that in 2015 VHA had about 195,900 clinical employees in 45 types of occupations.<sup>13</sup> To meet the growing demand for care, VHA implemented a number of targeted hiring initiatives, such as a mental health hiring initiative, which brought on about 5,300 staff nationwide from 2012 to 2013.

Despite these hiring efforts, we and others have expressed concerns about VHA's ability to ensure that it has the appropriate clinical workforce to meet the current and future needs of veterans, due to factors such as national shortages and increased competition for clinical employees in hard-to-fill occupations.<sup>14</sup> VHA officials have expressed concern with their hiring capabilities since 2014, when a well-publicized series of events called into question the ability of veterans to gain timely access to care from VHA.<sup>15</sup>

Our 2016 report found that for the 5 VHA clinical occupations with the largest staffing shortages (as identified by the VA Office of Inspector General in January 2015), the number of employees that VHA lost increased each year, from about 5,900 employees in fiscal year 2011 to about 7,700 in fiscal year 2015 (the 5 occupations were physicians, registered nurses, physician assistants, psychologists, and physical therapists).<sup>16</sup> This attrition accounted for about 50 percent of VHA's total losses across all clinical occupations during this period. We found a similar trend for all clinical occupations across VHA—losses increased annually during this period. (See table 1).

<sup>12</sup>GAO 16 666R.

<sup>13</sup>The 195,000 clinical employees are employed specifically in the VHA occupations covered by 38 U.S.C § 7401—a specific section of law that provides VHA with the authority to hire clinical employees. This number does not include employees of the veteran canteen service, the VHA central office, health care providers who provided services through contracts, or medical residents or trainees that were intermittently employed or in non-pay status. This number does include some types of trainees, such as interns and post-doctoral fellows. For fiscal year 2016, VHA changed the occupations counted as clinical employees to not include occupations that were in the process of being moved to Title 38 positions, but had not completed that transition. If VHA had used this method to estimate clinical employees in fiscal year 2015, the number would have been reduced by about 4,200 employees.

<sup>14</sup>See GAO, VA Primary Care: Improved Oversight Needed to Better Ensure Timely Access and Efficient Delivery of Care, GAO 16 83 (Washington, D.C.: Oct. 8, 2015); VA Mental Health: Clearer Guidance on Access Policies and Wait-Time Data Needed, GAO 16 24 (Washington, D.C.: Oct. 28, 2015); VA Health Care: Oversight Improvements Needed for Nurse Recruitment and Retention Initiatives, GAO 15 794 (Washington, D.C.: Sept. 30, 2015); VA Health Care: Actions Needed to Ensure Adequate and Qualified Nurse Staffing, GAO 15 61 (Washington, D.C.: Oct. 16, 2014); Department of Veterans Affairs Office of the Inspector General, Veterans Health Administration, Audit of Physician Staffing Levels for Specialty Care Services, 11–01827–36 (Washington, D.C.: Dec. 27, 2012), and Department of Veterans Affairs Office of the Inspector General, OIG Determination of Veterans Health Administration's Occupational Staffing Shortages, 15–00430–103 (Washington, D.C.: Jan. 30, 2015).

<sup>15</sup>In 2014, news outlets began reporting about extended wait times for veteran appointments at VHA medical facilities. Subsequent investigations by us, the VA Office of Inspector General (OIG), and others substantiated allegations of extended wait times and we found that VHA employees responsible for scheduling appointments at certain facilities engaged in inappropriate practices to make wait times appear more favorable.

<sup>16</sup>The VA OIG reviewed VHA data on occupational attrition rates and vacancies and facilities' rankings of occupations for which they have a critical need. The VA OIG then weighted these rankings based on additional factors, such as the total number of facilities that ranked an occupation as a critical need.

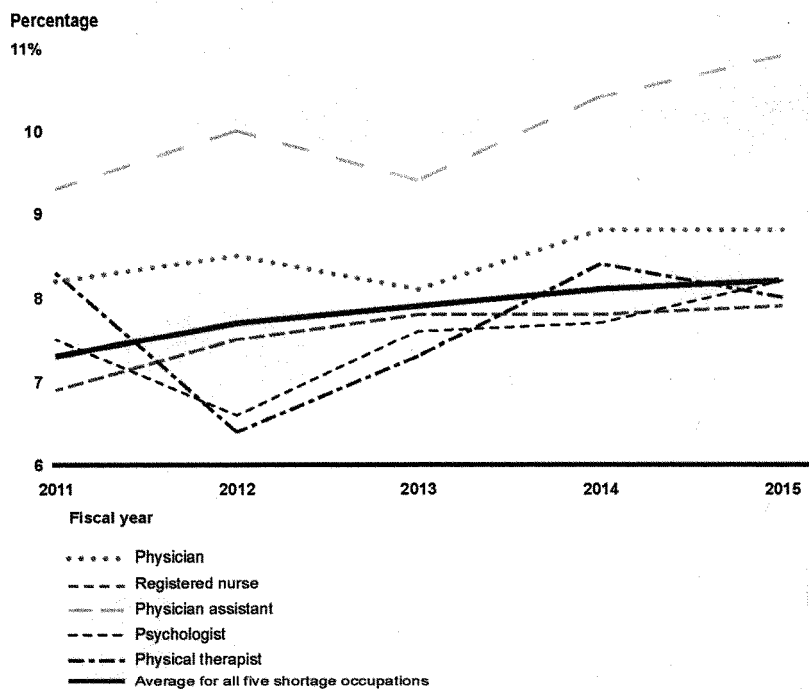
**Table 1: Number of Employees, Losses, and Loss Rate for the Five Shortage and All Clinical Occupations at VHA, Fiscal Year 2011 through 2015**

	2011	2012	2013	2014	2015
<b>Five shortage occupations</b>					
Total number of employees lost	5,897	6,332	6,726	7,254	7,734
Average number of employees	80,420	81,892	85,299	89,460	94,109
Loss rate (percent)	7.3	7.7	7.9	8.1	8.2
<b>All clinical occupations</b>					
Total number of employees lost	11,843	12,588	13,523	14,788	15,901
Average number of employees	162,809	167,344	177,315	185,962	195,914
Loss rate (percent)	7.3	7.5	7.6	8.0	8.1

Source: GAO analysis of Veterans Health Administration (VHA) personnel data. | GAO-17-475T

From fiscal year 2011 through 2015, occupation loss rates for each of the 5 shortage occupations varied annually, though most saw an overall increase in losses during this period (see figure 1). Physician assistants consistently had the highest loss rate among the 5 shortage occupations. The loss rate for physician assistants increased from 9.3 to 10.9 percent during this period. The loss rate for physical therapists decreased from fiscal year 2011 to 2012 (from 8.3 to 6.4 percent), but then increased to 8.0 percent in fiscal year 2015.

**Figure 1: Loss Rates for Each of the Five Shortage Occupations, Fiscal Years 2011 through 2015**



Source: GAO analysis of Veterans Health Administration personnel data. | GAO-17-475T

In addition to our review of VHA’s 5 shortage occupations, we also identified the 10 clinical occupations within VHA with the highest loss rates as of fiscal year 2015 (they were physician assistant, medical support assistant, medical supply aide and technician, optometrist, nursing assistant, medical records technician, health technician (optometry), physician, practical nurse, and medical records administration). The loss rates for these 10 occupations also varied (ranging from 5.3 percent to 10.9 percent each year from fiscal years 2011 through 2015). We found that 2 of the 5



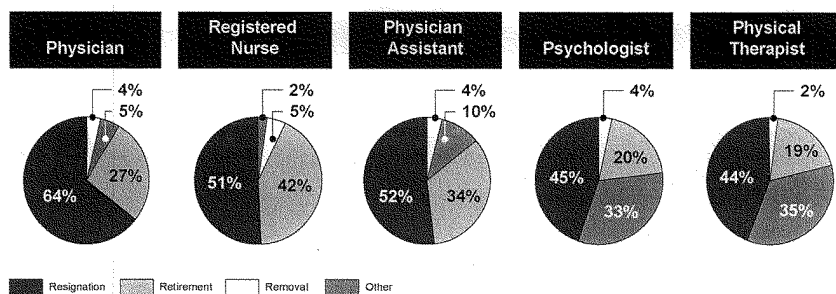
shortage occupations-physician assistants and physicians-were among this group of the 10 highest loss-rate occupations each year from fiscal year 2011 through 2015.

Additionally, 2 other occupations-medical support assistants and nursing assistants-were also consistently among this group of the 10 highest loss-rate occupations each year during this period.<sup>17</sup> The 6 remaining occupations were technical positions that were generally small in overall number, such as medical supply aides and technicians. According to VHA HR officials, employees in these occupations generally do not require specialized education or licensing; thus, they tend to be more easily replaced than those in the 5 shortage occupations.

Voluntary Resignations and Retirements Were the Primary Drivers of VHA Losses, though Reasons Differed for Some Occupations

According to VHA's personnel data, voluntary resignations and retirements accounted for about 90 percent of VHA's losses from the 5 shortage occupations annually from fiscal year 2011 through fiscal year 2015 (see figure 2).<sup>18</sup>

Figure 2: Reasons Employees Left the Five Shortage Occupations, 5-Year Average for Fiscal Years 2011 through 2015



Source: GAO analysis of Veterans Health Administration personnel data. | GAO-17-475T

Notes: Resignations include employees who quit and voluntarily transferred to other government agencies. Retirement includes voluntary retirements and retirements due to disability or special situations, such as voluntary early retirement. Removals include terminations that occurred during a probationary period and removals due to adverse actions. Other reasons employees may depart VHA include death; separations due to a reduction in force (layoffs) or an employee entering into a uniformed service; and expirations of nonpermanent, time-limited appointments, including trainees, such as interns or post-doctoral fellows.

Totals may exceed 100 percent due to rounding.

The percent of losses due to voluntary resignations from the 5 shortage occupations averaged 54 percent during this period, and retirements averaged 36 percent. However, for some occupations, voluntary resignations and retirements accounted for a smaller proportion of employee losses. For example, for physical therapists and psychologists, the resignation rate averaged about 44 percent and retirement averaged about 19 percent during the 5-year period. In these occupations, other reasons-primarily expiration of their appointments-averaged about 35 and 33 percent of losses, respectively. According to VHA officials, expirations of appointments occur when a nonpermanent, time-limited appointment ends due to the expiration of the work or the funds available for the position. For physical therapists and psychologists, the use of trainees, such as interns or post-doctoral fellows, accounted for the majority of losses due to expirations of appointments. Removals accounted for a small proportion (5 percent or less, on average) of losses in each of these 5 occupations.<sup>19</sup>

Voluntary resignations and retirements accounted for 84 percent of VHA's losses from the 10 occupations with the highest loss rates annually from fiscal year 2011 through fiscal year 2015. The percentage of losses due to voluntary resignations

<sup>17</sup> Medical support assistants schedule veterans' appointments and thus play a critical role in ensuring veterans' access to care and nursing assistants attend to basic patient needs and support other nursing staff.

<sup>18</sup> Resignations include employees who quit and voluntarily transferred to other government agencies. Retirement includes voluntary retirements and retirements due to disability or special situations, such as voluntary early retirement.

<sup>19</sup> Removals include terminations that occurred during a probationary period and removals due to adverse actions.

from these 10 occupations averaged about 55 percent during this period and retirements averaged 30 percent.

The following summarizes the reasons for leaving VHA cited by exit survey respondents in the 5 shortage occupations:<sup>20</sup>

- 28 percent said opportunities to advance and 21 percent said that dissatisfaction with certain aspects of the work, such as concerns about management and obstacles to getting the work done, was the primary reason they were leaving. Other than retirement, these were the most commonly cited reasons.<sup>21</sup>
- 71 percent said that a single event generally did not cause them to think about leaving, while 28 percent reported that it did.
- 65 percent were generally satisfied with their jobs over the past year, while 25 percent reported that they were not.
- 50 percent indicated that they were generally satisfied with the quality of senior management, while 31 percent were not.
- 69 percent said that their supervisors did not try to change their minds about leaving, while 30 percent reported that they did.
- 73 percent felt that their immediate supervisors treated them fairly at work, while 15 percent reported that they did not.
- 67 percent felt that they were treated with respect at work, while 19 percent reported they were not.
- 50 percent reported that one or more benefits would have encouraged them to stay, such as alternative or part-time schedules (25 percent) or student loan repayment or tuition assistance (12 percent), among others.<sup>22</sup>

VHA's exit survey results were similar for respondents from the 10 occupations with the highest loss rates to those in the 5 shortage occupations. For example, respondents from these 10 occupations also said that advancement issues (34 percent) and dissatisfaction with certain aspects of the work (20 percent) were among their primary reasons for leaving. Additionally, the majority said that a single event generally did not cause them to think about leaving (71 percent) and about 47 percent reported that one or more benefits would have encouraged them to stay, such as an alternative or part-time schedule (22 percent) or student loan repayment or tuition assistance (12 percent), among others.

#### **Oversight Improvements Needed for Nurse Recruitment and Retention Initiatives**

We and others have highlighted the need for an adequate and qualified nurse workforce to provide quality and timely care to veterans. As we have previously reported, it is particularly difficult to recruit and retain nurses with advanced professional skills, knowledge, and experience, which is critical given veterans' needs for more complex specialized services.

In our 2015 report—which included staff interviews at four medical centers—we found that VHA had multiple system-wide initiatives to recruit and retain its nurse workforce, but three of the four VA medical centers in our review faced challenges offering them.<sup>23</sup> VHA identified a number of key initiatives it offered to help medical centers recruit and retain nurses, which focused primarily on providing (1) education and training, and (2) financial benefits and incentives. VA medical centers generally had discretion in offering these initiatives.

The four medical centers in our review varied in the number of initiatives they offered, and three of these medical centers developed local recruitment and retention initiatives in addition to those offered by VHA. While three of the four medical centers reported VHA's initiatives improved their ability to recruit and retain nurses, they also reported challenges. The challenges included insufficient HR support for

<sup>20</sup>VHA's exit survey is offered to employees who voluntarily resign or retire. The response rate for the 5 shortage occupations averaged about 30 percent over the past 5 years. For each question, some respondents may have opted not to respond or provided a response other than what is summarized here. Percentages are approximate.

<sup>21</sup>We grouped like responses together to create these categories. For example, we aggregated the number of responses for "advancement-lack of opportunity within VHA" and "advancement-unique opportunity elsewhere" into a single category, "advancement."

<sup>22</sup>Exit survey respondents were instructed to either select all benefits that may have encouraged them to stay or to select "no benefits would have helped." Of the 9,623 employees from the 5 shortage occupations who completed an exit survey from fiscal years 2011 through 2015, about 60 percent (5,830) reported that no benefits would have helped encourage them to stay. Because respondents who did not select "no benefit would have helped" could select more than one response, the responses by the different benefit categories are not mutually exclusive.

<sup>23</sup>GAO 15 794.

medical centers, competition with private sector medical facilities, a reduced pool of advanced training nurses in rural locations, and employee dissatisfaction.

In our 2015 report we also found that VHA provided limited oversight of its key system-wide nurse recruitment and retention initiatives. Specifically, VHA conducted limited monitoring of medical centers' compliance with its initiatives. For example, in the past, VHA conducted site visits in response to a medical center reporting difficulty with implementation of one of its initiatives and to assess compliance with program policies, but VHA stopped conducting these visits. Consistent with federal internal control standards, monitoring should be ongoing and should identify performance gaps in a policy or procedure. With limited monitoring, VHA lacks assurance that its medical centers are complying with its nurse recruitment and retention initiatives, and that any problems are identified and resolved in a timely and appropriate manner.

In addition, VHA has not evaluated the training resources provided to nurse recruiters at VA medical centers or the overall effectiveness of the initiatives in meeting its nurse recruitment and retention goals, or whether any changes are needed. Consistent with federal internal control standards, measuring performance tracks progress toward program goals and objectives and provides important information to make management decisions and resolve any problems or program weaknesses. For example, we found that VHA did not know whether medical centers had sufficient training to support nurse recruitment and retention initiatives. In particular, VHA did not provide face-to-face training specifically for nurse recruiters, but regular training was available to those assigned to a HR office as part of training available to all HR staff.

Representatives from a national nursing organization reported that clinical nurse recruiters at VA medical centers often feel less prepared for the position than those assigned to HR offices, but VHA has not evaluated this disparity or its effects. Without evaluations of its collective system-wide initiatives, VHA is unable to determine how effectively the initiatives are meeting VHA policies and the provisions of the Veterans Access, Choice, and Accountability Act. Nor can VHA ultimately determine whether it has an adequate and qualified nurse workforce at its medical centers that is sufficient to meet veterans' health care needs.

#### **VA Has Exempted 108 VHA Occupations from the Hiring Freeze**

On January 23, 2017, the administration issued an across-the-board 90-day hiring freeze applicable to federal civilian employees in the executive branch.<sup>24</sup> As of January 22, 2017, no existing vacant positions could be filled and no new positions could be created. The memorandum stated that the head of any executive department or agency may exempt from the hiring freeze positions that it deems necessary to meet national security or public safety responsibilities.

In accordance with the memorandum, as of mid-March, VA has exempted 108 VHA occupations from the freeze because they were necessary to meet VA's public safety responsibilities. They included the 5 shortage occupations noted earlier (physician, registered nurse, physician assistant, psychologist, and physical therapist), as well as, for example, pharmacist, medical records technician, chaplain, and security guard.

#### **VHA Needs to Strengthen Its HR Capacity to Better Serve Veterans**

The recruitment and retention challenges VHA is experiencing with its clinical workforce are due, in part, to VHA's limited HR capacity, including (1) attrition among its HR employees and unmet staffing targets, and (2) weak HR-related internal control functions. Until VHA strengthens its HR capacity, it will not be positioned to effectively support its mission.

#### **Attrition of VHA's HR Staff and Unmet Staffing Targets Undermine VHA's HR Capacity**

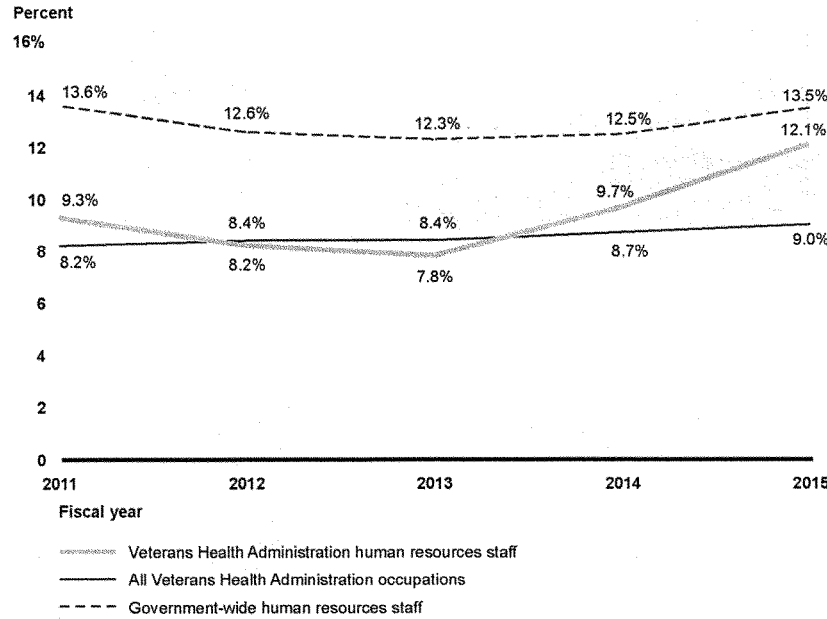
In our December 2016 report on VHA's HR capacity, we found that attrition of HR staff grew from 7.8 percent (312 employees) at the end of fiscal year 2013 to 12.1 percent (536 employees) at the end of fiscal year 2015.<sup>25</sup> In comparison, attrition for all VHA employees was generally consistent during the same period, from

<sup>24</sup>The White House, Memorandum of January 23, 2017 on the Federal Civilian Employee Hiring Freeze, Daily Comp. Pres. Docs. 2017 No. 00062, p.1, 82 Fed. Reg. 8493 (Jan. 25, 2017). Within 90 days of the date of the memorandum, the Director of the Office of Management and Budget, in consultation with the Director of the Office of Personnel Management, are to recommend a long-term plan to reduce the size of the of the federal workforce through attrition.

<sup>25</sup>GAO 17 30.

8.4 percent in fiscal year 2013 to 9 percent at the end of fiscal year 2015 (see figure 3).

**Figure 3: Attrition for Veterans Health Administration Human Resources Staff Has Increased Since Fiscal Year 2013**



Source: Department of Veterans Affairs Personnel and Accounting Integrated Data and Office of Personnel Management data, fiscal years 2011-2015. | GAO-17-475T

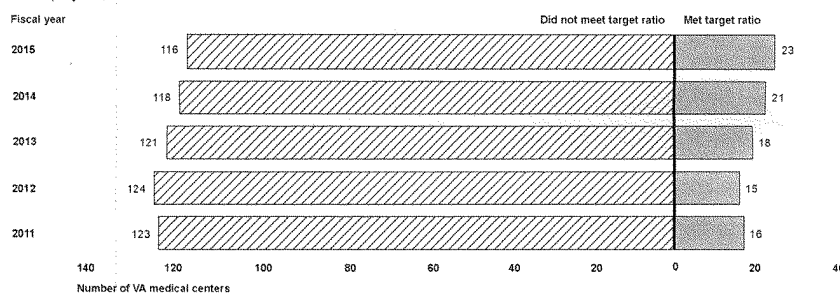
*Note: Veterans Health Administration (VHA) data include permanent, temporary, full-time, and part-time employees in pay status. Data exclude medical residents and intermittent employees. Between fiscal years 2011 and 2015, the average total N=4,000 VHA human resources (HR) staff, and total average N=295,912 VHA employees in all occupations. Government-wide data include permanent, temporary, full-time, and part-time executive branch HR staff in pay status. Data do not cover the U.S. Postal Service, intelligence agencies, or judicial branch employees. Between fiscal years 2011 and 2015, the average total N=39,917 HR staff.*

Most of the turnover is due to transfers to other federal agencies, followed by resignations and voluntary retirement. In fiscal year 2015 HR specialists transferred to other federal agencies at a rate six times higher than all VHA employees.

We found that between fiscal years 2011 and 2015, the majority of medical centers fell short of VHA's HR staffing goals, even with new hires to partially offset annual attrition (see figure 4). VHA established a target HR staffing ratio of 1 HR staff to 60 VHA employees to manage consistent, accurate, and timely delivery of HR services. However, in fiscal year 2015 about 83 percent (116 of 139) of medical centers did not meet this target.<sup>26</sup> Of these 116 medical centers, about half had a staffing ratio of 1 HR staff to 80 VHA employees or worse. In other words, each HR employee at those medical centers was serving 20 to 80 more employees than recommended by VHA's target staffing ratio. According to the HR staff we interviewed, this has reduced HR employees' ability to keep pace with work demands and has led to such issues as delays in the hiring process, problems with addressing important clinical hiring initiatives, and an increased risk of personnel processing and coding errors.

<sup>26</sup> Although VHA has 168 individual medical centers, it reports data at the "parent" medical center level. There are 140 parent medical centers. However, one medical center did not have sufficient data to be included in our analysis.

Figure 4: Few Department of Veterans Affairs (VA) Medical Centers Have Met the Target Ratio of 1 Human Resources Staff to 60 Employees, Fiscal Years 2011-2015



Source: GAO analysis of Department of Veterans Affairs Personnel and Accounting Integrated Data, fiscal years 2011 to 2015. | GAO-17-4757

*Note: N - 139 VA medical centers. Ratios reflect all Veterans Health Administration employees on board in both pay and non-pay status.*

In addition, VHA's All Employee Survey results from 2015 indicate that HR staff reported feeling more burned out and less satisfied with their amount of work compared to the VHA-wide average in these areas.<sup>27</sup> Specifically, about 48.1 percent of those who identified as HR specialists reported being satisfied with the amount of work compared to about 62.5 percent of employees VHA-wide.

As noted above, as of mid-March 2017, VA has exempted 108 occupations from the current hiring freeze because VHA maintained they were necessary to meet VA's public safety responsibilities. However, the broad list of exemptions, ranging from physicians to housekeeping staff, did not include HR specialists, even though VHA ranked HR management as third on a list of mission critical occupations in its 2016 Workforce and Succession Strategic Plan.<sup>28</sup> Given the attrition rate that we identified among HR specialists and the HR staffing shortfalls at many VA medical centers, a prolonged hiring freeze could further erode VHA's capacity to provide needed HR functions.

In our 1982 report on hiring freezes under prior administrations, we concluded that government-wide freezes are not an effective means of controlling federal employment because they ignored individual agencies' missions, workload, and staffing requirements and could thus disrupt agency operations. We noted that improved workforce planning, rather than arbitrary across-the-board hiring freezes, is a more effective way to ensure that the level of personnel resources is consistent with program requirements.<sup>29</sup>

#### **Weak Internal Control Practices Adversely Affect Key HR Functions**

In our December 2016 report, we noted that weaknesses in HR-related internal control functions reduce VHA's ability to deliver HR services. Federal standards for internal controls require agencies to (1) establish an organizational structure that includes appropriate lines of accountability and authority, (2) evaluate the competencies of HR staff and ensure they have been appropriately trained to do their jobs, and (3) design information systems to meet operational needs and use valid and reliable data to support the agency's mission.<sup>30</sup> We found shortfalls in each of these practices at VHA. Moreover, as shown in figure 5, the twin challenges of weak internal controls and limited HR capacity have had a compounding effect, creating an environment that undermines VHA's HR operations and impedes its ability to improve delivery of health care services to veterans.

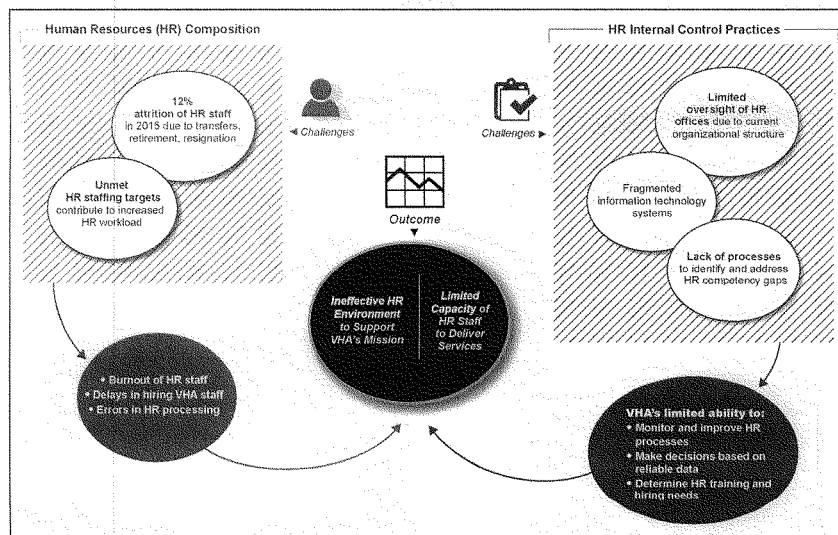
<sup>27</sup> VHA's National Center for Organization Development develops and administers the All Employee Survey, an annual census survey that is intended to gauge employees' experiences at VA. Among other things, the survey captures the extent to which employees feel burned out on their job on a scale from 0 to 6, with 0 meaning never, and 6 meaning every day.

<sup>28</sup> Veterans Health Administration, VHA Workforce and Succession Strategic Plan, 2016 (2016).

<sup>29</sup> GAO, Recent Government-Wide Hiring Freezes Prove Ineffective In Managing Federal Employment, FPCD-82-21 (Washington D.C.: March 10, 1982).

<sup>30</sup> GAO, Standards for Internal Control in the Federal Government, GAO 14 704G (Washington, D.C.: September 2014).

**Figure 5: Long-standing, Systemic Human Capital Challenges Limit the Veterans Health Administration's (VHA) Ability to Effectively Manage and Deliver Human Resources Services**



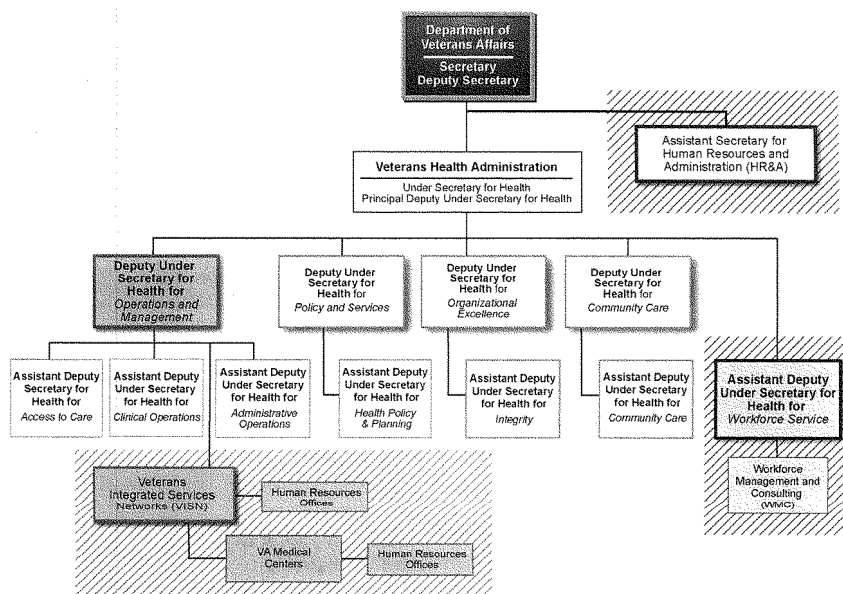
Source: GAO analysis of Veterans Health Administration data. | GAO-17-475T

We reported that key areas for improvement include the following:

Strengthen oversight of HR offices. VHA is structured so that the central HR offices at VA and VHA have inadequate oversight of medical center HR offices in order to hold them accountable. This lack of oversight contributes to issues with VHA's capacity to provide HR functions and limits VHA's ability to monitor HR improvement efforts and ensure that HR offices apply policies consistently. Our Standards for Internal Control requires an agency's organizational structure to provide a framework for planning, directing, and controlling operations to achieve agency objectives.<sup>31</sup> VA and VHA's central HR offices are primarily responsible for developing HR policy, guidance, and training, while VISN and medical center HR offices are responsible for implementing HR policies and managing daily HR operations. However, as shown in figure 6, there is not a direct line of authority between the VISN and medical center HR offices and the central HR offices in VA and VHA.

<sup>31</sup> GAO 14 704G.

Figure 6: Department of Veterans Affairs' and Veterans Health Administration's Human Resources Organizations and Lines of Authority



Source: GAO analysis of Department of Veterans Affairs data. | GAO-17-475T

*Note: In addition to the Deputy and Assistant Deputy Under Secretary positions shown in this figure, the following positions also report to the Under Secretary for Health: Chief of Staff, Chief Officer of Readjustment Counseling Service, Executive Director of Research Oversight, and Chief of Nursing.*

According to the director of VA's Office of Oversight and Effectiveness, the department's organizational structure enables medical center directors to effectively respond to the needs of veterans and other clients using available resources. However, VA and VHA HR officials with whom we spoke said that the organizational structure limits the department's ability to oversee individual HR offices, improve hiring processes, train HR staff, and implement consistent classification processes.

Identify and address critical competency gaps. Federal standards for internal control require an agency to ensure that its workforce is competent to carry out assigned responsibilities in order to achieve the agency's mission. Additionally, our prior work has identified principles for human capital planning that recommend an agency identify skills gaps within its workforce, implement strategies to address these gaps, and monitor its progress.<sup>32</sup> However, VA and VHA's model for assessing the competencies of HR staff is incomplete and fragmented. As one example, VHA's internal human capital reviews have consistently found that HR staff competencies are not being assessed and HR staff lack the necessary skills to deliver high-quality services. Further, although both VA and VHA provide a variety of training programs, HR staff with whom we spoke described barriers to completing them, including a lack of time to take training and train new hires, limited course offerings, and lengthy waiting lists for courses.

Address long-standing information technology challenges. To have an effective internal control system, agencies should design their information systems to obtain and process information to meet operational needs.<sup>33</sup> Likewise, our prior work on strategic human capital management notes that high-performing organizations leverage modern technology to automate and streamline personnel processes to meet

<sup>32</sup> GAO, Human Capital: Key Principles for Effective Strategic Workforce Planning, GAO 04 39 (Washington, D.C.: Dec. 11, 2003).

<sup>33</sup> GAO 14 704G.

customer needs.<sup>34</sup> Data that are valid and reliable are critical to assessing an agency's workforce requirements. However, VA faces long-standing, significant information technology (IT) challenges that include outdated, inefficient IT systems and fragmented systems that are not interoperable.<sup>35</sup> With respect to HR IT systems, in May 2016 we reported that VA's department-wide HR system, Personnel and Accounting Integrated Data (PAID), is one of the federal government's oldest IT systems and that VA is in the process of replacing it.<sup>36</sup>

As part of efforts to replace PAID, VA is developing and implementing an enterprise-wide, modern web-based system called HR Smart.<sup>37</sup> VA officials told us that HR Smart will be implemented in phases across the department. According to agency documentation, HR Smart will enable HR staff to better manage information on employee benefits and compensation; electronically initiate, route, and receive approval for personnel actions; monitor workforce planning efforts and vacancies by medical center and across the department; and generate reports and queries.

As VA continues to develop and implement its new HR system, VHA HR staff must rely on several separate enterprise-wide IT systems to handle core HR activities such as managing personnel actions and hiring and recruiting efforts. HR staff with whom we spoke stated that the amount of time they spent entering duplicate data into four or more non-interoperable systems and reconciling data between the systems has made their jobs more difficult and has taken time away from performing other critical HR duties. According to VA officials, once HR Smart is fully implemented, it should reduce HR offices' reliance on multiple HR systems and local tools and help to streamline HR processes. For example, according to program documentation, VA plans to implement functionality in HR Smart that will allow managers to initiate, review, and approve basic personnel actions independently. In these cases, HR staff would no longer be responsible for data entry.

In conclusion, VHA's challenges recruiting and retaining clinical and HR employees are making it difficult for VHA to meet the health care needs of our nation's veterans. The prior reports on which this testimony is based made three recommendations to VA aimed at improving the oversight of nurse recruitment and retention initiatives and seven recommendations directed at strengthening VHA's HR capacity. Key recommendations included developing a process to help monitor medical centers' compliance with key nurse recruitment and retention initiatives and establishing clear lines of authority between VA and VHA's central personnel offices and those offices in individual medical centers to hold them accountable for improving HR functions. VA concurred with our recommendations and said they are taking steps to implement them. We will monitor VA's progress in addressing our recommendations and report the results of those efforts to Congress.

Chairman Wenstrup, Ranking Member Brownley, and Members of the Subcommittee, this completes our prepared statement. We would be pleased to respond to any questions that you may have.

#### **GAO Contacts and Staff Acknowledgments**

If you have any questions on matters discussed in this statement, please contact Robert Goldenkoff at (202) 512-2757 or by e-mail at [goldenkoffr@gao.gov](mailto:goldenkoffr@gao.gov), or Debra Draper at (202) 512-7114 or by email at [draperd@gao.gov](mailto:draperd@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Other key contributors to this testimony include Lori Achman, Assistant Director, Janina Austin, Assistant Director, Tom Gilbert, Assistant Director, Heather Collins, Analyst-in-Charge, Dewi Djunaidy, Sarah Harvey, Meredith Moles, Steven Putansu, Susan Sato, and Jennifer Stratton.

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#### **GAO's Mission**

<sup>34</sup> GAO, A Model of Strategic Human Capital Management, GAO 02 373SP (Washington, D.C.: Mar. 15, 2002).

<sup>35</sup> GAO 15 290. Interoperability is the ability of two or more IT systems or components to exchange information and to use the information that has been exchanged.

<sup>36</sup> GAO, Information Technology: Federal Agencies Need to Address Aging Legacy Systems, GAO 16 468 (Washington, D.C.: May 25, 2016).

<sup>37</sup> Note that we did not undertake a comprehensive assessment of HR Smart's system development and implementation as part of this review.



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### **Prepared Statement of Max Stier**

Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee on Health, thank you for the opportunity to appear before you today to discuss the ability of the Veterans Health Administration (VHA) to recruit and retain high quality clinical and administrative employees.

I am Max Stier, President and CEO of the Partnership for Public Service. The Partnership is a nonpartisan, nonprofit organization that seeks to transform our federal government by inspiring a new generation of Americans to enter public service and to improve the way our government works. I have been privileged to appear before this subcommittee before to discuss the Veterans Health Administration's workforce, and welcome the opportunity to do so again. I commend the Subcommittee for its thoughtful efforts to address the challenges VHA faces in recruiting and retaining world-class clinicians and support personnel.

The Veterans Health Administration has a critical mission - to provide medical care to our veterans - and as the nation's largest integrated healthcare system, its ability to get the talent it needs is essential to accomplishing that mission. Recruiting, hiring, and retaining that talent will require addressing three key challenges: an inability to compete effectively for talent, a failure to build a strategic and integrated talent function, and a lack of strong leadership.

The Veterans Health Administration is making real progress towards becoming an employer of choice, with employees reporting rising job engagement each of the last two years, but data tells us there is still more to be done. According to the Partnership's 2016 Best Places to Work in the Federal Government Rankings, VHA ranks just 235th out of 305 agency subcomponents in overall employee engagement. In the category of "Strategic Management," which measures the extent to which employees have the necessary skills and abilities to do their jobs and management is successful at hiring new employees with the necessary skills to help the organization, VHA ranked 210 of our 305 subcomponents with a score of 53.1.<sup>1</sup> Further, a Partnership analysis of the Office of Personnel Management's (OPM) Federal Employee Viewpoint Survey (FEVS) found that under half of VHA employees believe their work unit can recruit people with the right skills (44.4 percent).

### **VHA Struggles to Compete Effectively For Talent**

The VHA contends for talent in a highly competitive labor pool for medical professionals that already faces serious shortages, with predictions of a shortfall of between 60,000 and 90,000 physicians by 2025.<sup>2</sup> Unfortunately, both VHA and government as a whole are at a disadvantage in the battle for talent as a result of self-imposed barriers that lengthen and complicate the hiring process, and make it difficult to recruit executive- and entry-level talent, and talent from the private sector.

Perhaps most critical is the need for top executive talent, which means focusing on vacancies among the medical center and Veterans Integrated Service Network (VISN) leaders. Analysis of medical center leadership showed that roughly thirteen percent of VA medical centers lack permanent leadership, a number that has been on the decline but is still too high. The key to this is the pay disparity between medical center directors in VHA and the private sector. The Partnership has long advocated for expanding the use of market-sensitive pay within government to improve recruitment and retention and to ensure that government is not paying too much or too little for essential talent. In a memo to Congress, VA noted that "individuals holding the position of Chief Executive Officer (CEO) in private sector health care systems received on average \$731,800 annual cash compensation. CEOs of a single facility within an overall system received an average of \$393,100. In that same year, SES pay rates capped annual compensation for senior executives at \$181,500."<sup>3</sup> Simply put, while VHA will never pay salaries equal to private sector medical facilities, market-sensitive pay is essential for making VHA a more attractive destination for the executive talent needed to lead medical facilities. There was legislation in the previous Congress to expand more market-sensitive pay to this group, but our understanding is that it was not acted on by the committee due to cost concerns. Such concerns are, frankly, penny wise but pound foolish - if Congress wants to push for greater accountability, it must be willing to compensate the executives who take on these demanding and complex jobs.

Even beyond pay, Congress can do more to bring private sector and entry-level talent into VHA. Direct hire authority, which allows managers to make job offers without going through the full Title 5 hiring procedure, is a useful tool for agencies to hire for specific mission-critical jobs. Chairman Roe's recent legislation, the VA Accountability First Act of 2017 (H.R. 1259), which would grant VA the authority to directly hire medical center and VISN directors, is a step in the right direction. Other talent pools could also benefit from this authority, such as students and recent graduates who are disadvantaged by a hiring process that overvalues government experience, and positions under Title 5 where VA faces personnel shortages. Finally, Congress should modify the standard for granting direct hire. The current standard requires agencies to demonstrate a severe shortage of talent, which has

<sup>1</sup> By way of comparison, the highest rated agency subcomponent in this category was the Tennessee Valley Authority Office of the Inspector General with a score of 87.5. A more accurate comparison by size might be another large agency - NASA - which led all large agencies with a "Strategic Management" score of 66.2.

<sup>2</sup> Dall, Tim, et. al. "The Complexities of Physician Supply and Demand: Projections from 2014 to 2025." IHS Inc., April 2016, p. 4, <https://www.aamc.org/download/458082/data/2016-complexities-of-supply-and-demand-projections.pdf>.

<sup>3</sup> "Title 38 Appointment, Compensation, Performance Management, and Accountability System for Senior Executive Leaders in the Department of Veterans Affairs." Government Executive, p. 3, <https://www.govexec.com/media/gbc/docs/pdfs-edit/022315k11.pdf>.

been interpreted to mean a shortage of “minimally-qualified” candidates. The Partnership believes this standard should be clarified to require that agencies demonstrate only a shortage of “highly-qualified” talent - a more realistic and appropriate standard. In recruiting for any position, but especially mission-critical positions, agencies like VHA should only be seeking the most highly-qualified applicants.

Facilitating greater movement between the private sector and VHA is another way that Congress could encourage more individuals to consider government service. The Partnership has long supported greater mobility in government, and the Commission on Care has agreed, stating that “To expand the perspectives and management experience in its leadership pipeline, VHA must develop explicit strategies to on-ramp diverse candidates at critical midcareer transition points.”<sup>4</sup> Chairman Wenstrup’s bill, H.R. 1367, already includes some improvements in this area, such as creating an executive management exchange program to develop leaders within VHA and allowing former employees who left the Department in good standing to rejoin the organization more easily. Congress should also consider additional reforms to the process by which VA selects and certifies its senior executives, as a way to remove barriers to executive-level private sector talent joining VHA and other government agencies. In 2013, the Partnership found that just six percent of VA career senior executives came from outside government - lower than the government-wide average of 7.3 percent, a number which, in our view, is already too low.<sup>5</sup> I offer several recommendations on this topic below.

Finally, it is worth noting that the administration’s hiring freeze is likely to exacerbate talent challenges. While VHA exempted some critical jobs from the freeze, positions such as human resources specialists, who play a crucial role in the recruitment, hiring, and onboarding process for medical professionals who provide care to veterans, were not. The freeze also sends a message that government is not looking for talent, which deters individuals who would otherwise pursue public service and damages the ability of government to reach the highly trained, high-performing people that it most needs to recruit.

### **VHA Lacks a Strategic and Integrated Talent Function**

VHA must have a single-minded strategic focus on talent that informs every decision the organization makes if it is to fill the roughly 48,000 vacancies across the organization.<sup>6</sup> Hiring quality talent for these roles will require investment in the agency’s talent function - the human resources (HR) workforce. The organization’s HR professionals must have the skills, knowledge, and resources necessary to support the recruitment and retention of great talent and be a strategic partner to the medical center and network leaders. Unfortunately, VHA’s HR systems are disjointed and poorly integrated, while the HR workforce faces challenges in the form of low morale, staff shortages, and ineffective training.

Low morale is perhaps the most measurable symptom of a VHA HR workforce in trouble. A recent GAO report found that attrition for HR staff at VHA has risen from 7.8 percent in 2013 to 12.1 percent in 2015. Responses to VA’s All-Employee Survey showed that “HR staff report feeling more burned out and are less satisfied with their amount of work compared to the VHA-wide average in these areas.”<sup>7</sup> The Partnership’s 2016 Best Places to Work rankings bear this out: HR specialists at VHA posted a satisfaction and engagement score of 54.3 out of 100, 2.4 points below VHA as a whole. More troubling is the fact that this group’s score declined by 5.4 points from 2015, even though the agency as a whole improved.<sup>8</sup> The agency is also not building an HR talent pipeline for the future: just five percent of VHA’s HR specialists are under the age of 30. This number falls below the government-wide average and well short of comparable private sector benchmarks, while three out of four

<sup>4</sup> Schlichting, Nancy M., et. al. “Commission on Care: Final Report.” Commission on Care, June 2016, p. 117, <https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care-Final-Report-063016-FOR-WEB.pdf>.

<sup>5</sup> “Building the Leadership Bench: Developing a Talent Pipeline for the Senior Executive Service.” Partnership for Public Service with McKinsey & Company, July 2013, p. 31, <http://www.govexec.com/media/gbc/docs/pdfs/edit/071913cc1.pdf>.

<sup>6</sup> Katz, Eric. “VA Hearing Spurs Divide Over Hiring Freeze, Bonus Abuse.” Government Executive, 1 March 2017, <http://www.govexec.com/pay-benefits/2017/03/va-reform-hearing-divides-along-partisan-lines/135820/?oref=govexec-today-nl>.

<sup>7</sup> Government Accountability Office. “Veterans Health Administration: Management Attention is Needed to Address Systemic, Long-standing Human Capital Challenges.” GAO Publication No. 17-30, December 2016, p. 13, 15, <http://www.gao.gov/assets/690/681805.pdf>.

<sup>8</sup> Partnership for Public Service. “Veterans Health Administration.” Best Places to Work, January 2017, <http://bestplacetowork.org/BPTW/rankings/detail/vata>.

HR assistants who leave VA do so within their first two years of <sup>9</sup>employment.<sup>10</sup> A report from the Department's Inspector General noted that VHA identified human resources officers as its third largest staffing shortage.<sup>11</sup>

Inadequate and poorly-designed training is one contributing issue. Reports from the Partnership, GAO, and others have reinforced the need for more and better training for HR specialists both across government and within VA. Training is especially critical because of the complexity of the VHA's personnel system, which operates under three different titles (Title 5, Title 38, and Title 38-Hybrid). GAO reported that VA offers several HR training programs and resources (e.g., VA HR Academy), but limited course openings and heavy workloads prevent HR specialists from participating.<sup>12</sup> Especially troubling is the fact at least two medical centers shut down developmental programs for HR staff and limit the number of intern slots for entry-level HR trainees due to high workloads. Such cuts are a short-sighted approach that will only make training deficiencies and personnel shortages more acute.<sup>13</sup> The result has been "technical competency gaps in the areas of labor relations, position classification and management, and recruitment and staffing." Too often, training at VHA does not give employees what they need, focusing rather on individual procedures that have accumulated over time without thought to the overarching skills, knowledge, and strategies needed for HR staff to be effective. VA apparently concurs and has noted, according to GAO, that "an outdated 2002 policy and a decentralized approach to training" serve as "potential root causes of the lack of effective training management and oversight."<sup>14</sup>

Finally, investing in VHA's HR capacity is critical to addressing the organization's talent gaps. The Department struggles to bring in top talent, particularly young talent and has had mixed success in retaining that talent. The Department's Inspector General has found that while "VHA continued to increase the absolute number of staff in critical need occupations...the net gains are still significantly reduced by high loss rates".<sup>15</sup> Much of this loss is "regrettable," or among employees who could have stayed on at VA but chose to leave.<sup>16</sup> Further, the Independent Assessment found that time-to-hire "significantly exceed private-sector benchmarks, affecting VHA's ability to fill vacancies on patient care teams" and that hiring consistently exceeds the agency's 60-day hiring target, "reaching approximately six months for most clinical occupations."<sup>17</sup> Top HR talent is not just "nice to have" - it is essential for addressing the VHA's workforce challenges.

### **VHA Struggles To Fill Vacancies and Empower Leaders**

The third key challenge for the Department is leadership, from filling vacancies in critical leadership roles to empowering leaders throughout the organization to focus on talent, effectively manage people, and deal with poor performers. The Veterans Health Administration ranks just 273 out of 305 (48.5 out of 100) federal agency subcomponents in employee satisfaction with leadership. It ranks similarly poorly in employee views of senior leaders and empowerment.<sup>18</sup> Research by the Partnership has shown that leadership is the single biggest factor driving employee satisfaction and commitment in the workplace. Accomplishing the mission of the VHA will depend on the ability of the organization's leaders to build an engaged workplace culture.

Unfortunately, that is difficult to do when many leaders are not even in place. In 2015, nearly half of VISN director positions were vacant while roughly a quarter of medical center director positions were empty.<sup>19</sup> As noted above, the vacancy rate has declined since, but is still high; further, VA still struggles to recruit these top leaders. Dr. Carolyn Clancy, in a hearing before this subcommittee last year, noted that it takes over six months for VISN and medical center director positions to get

<sup>9</sup>U.S. Office of Personnel Management. FedScope: Federal Human Resources Data, 2017, <https://www.fedscope.opm.gov/>.

<sup>10</sup>Government Accountability Office, p. 12.

<sup>11</sup>Office of Healthcare Inspections. "OIG Determination of VHA Occupational Staffing Shortages." Report No. 16-00351-453, September 2016, p. 5, <https://www.va.gov/oig/pubs/VAOIG-16-00351-453.pdf>.

<sup>12</sup>Office of Healthcare Inspections, p. 27.

<sup>13</sup>Government Accountability Office, p. 24, 28.

<sup>14</sup>Government Accountability Office, p. 645.

<sup>15</sup>Office of Healthcare Inspections, p. 10.

<sup>16</sup>Office of Healthcare Inspections, p. 10.

<sup>17</sup>Independent assessment report pg. 32

<sup>18</sup>Partnership for Public Service. "Veterans Health Administration." Best Places to Work, January 2017, <http://bestplacestowork.org/BPTW/rankings/detail/vata>.

<sup>19</sup>Maucione, Scott. "VA's Top Health Official's Five Ways to Transform Access to Care." Federal News Radio, September 2015, <http://federalnewsradio.com/management/2015/09/vas-top-health-official-rethinking-healthcare-goals/>.

filled, with many being re-announced multiple times due to a lack of candidates.<sup>20</sup> These empty slots have a negative impact on performance - hospitals will not function effectively without the right leadership in place. Filling these positions must continue to be a priority. Addressing some of the challenges I have noted above regarding the barriers deterring applicants for senior jobs, such as low pay and an onerous hiring process, would help.

Once permanent leaders are in place, Congress must hold both them and the Department's political leaders accountable for managing well. This kind of accountability means defining leaders' performance in a way that emphasizes their role as managers and focusing attention on leadership activities like recruiting and retaining top talent, engaging employees, investing in professional development, and holding poor performers accountable. Chairman Wenstrup's legislation drives towards this goal in two key ways: by requiring that the Department create separate promotional tracks for technical experts who are not right for or do not want to take on management roles, and by mandating performance plans for political appointees that would assess their work towards these goals. The short tenure of many appointees tends to disincentivize attention to management, so it is important for Congress to create an expectation that the long-term health of the organization receives the attention it deserves from the department's political leaders.

Building the workforce the Veterans Health Administration needs to achieve its mission will require both short-term improvements to policies and processes as well as longer-term reforms of the systems that support or, in this case, inhibit the effective management of the agency's workforce. Below, I offer five recommendations for how Congress can address these challenges.

#### **Recommendations**

**Congress Should Pass Legislation to Improve the Authority of the Secretary of Veterans Affairs to Hire and Retain Physicians and Administrative Support Personnel**

The House took an important step last week towards addressing many of the challenges I outlined above when it passed H.R. 1367, legislation to provide additional authorities to the Department to improve recruitment, hiring, leadership, and performance, which has since passed the House. The Partnership, which endorses this legislation and endorsed similar legislation introduced in the 114th Congress, believes it will offer some important flexibilities that will better enable VA to recruit, hire, and retain talent. These include the ability to noncompetitively rehire former employees at any grade for which they qualify, the creation of a recruiting database that will enable VA to review applicants for vacant mission-critical positions at an enterprise level without jeopardizing local talent pipelines, and the expansion of Pathways intern conversion authority, among other reforms. While the Partnership continues to believe that the department must collect more and better data on the quality of its hiring process and pipelines, this legislation represents an important reform. I thank you, Chairman Wenstrup, for your attention to this critical issue, and urge the Senate to take similar action.

#### **Implement Reforms to Make the VHA Hiring Process More Competitive With the Private Sector**

The Veterans Health Administration does not just compete with other federal agencies for talent, but it does compete with the private sector, which in many cases can offer prospective employees higher pay and other benefits beyond what is available to the government. On the other hand, VHA offers a uniquely challenging, meaningful, and rewarding mission, to which the agency's employees are deeply committed. But a hiring process which takes six months or longer to complete and is complex and unresponsive to applicants will deter even the most eager job seekers. To this end, Congress should:

#### **Make Compensation for VA Executives More Comparable With the Private Sector**

Senior executives at VHA take on exceptionally difficult jobs which entail a great deal of professional risk. If VHA is to attract and retain the type of talent needed to fill these positions, it must be able to pay them a salary that is more in line with what the private sector offers. Unfortunately, Title 5 does not allow for the kind of flexibility that VHA, or other agencies for that matter, need. Senior executives do not even receive locality pay as other federal employees do. Ideally, Congress would revamp the federal pay system to enable all federal agencies to attract the best and

<sup>20</sup>H.R. 1367, 115th Cong. (2017).

brightest. As a first step, though, Congress should look for ways to close the gap between VA senior executives and the private sector, for example, by reconsidering language from a bill introduced in the previous Congress by Chairman Wenstrup, H.R. 5526, which expanded market-pay to include VISN and medical center directors.

#### **Grant the VA direct hire authority for post-secondary students and recent graduates**

With under six percent of the VA workforce below the age of 30, more needs to be done to bring in the entry-level employees who will serve as the organization's talent pipeline. However, the current federal hiring process tends to underemphasize qualifications and potential, disadvantaging younger job applicants. This authority would allow VA to make on-the-spot conditional job offers to students and quickly fill entry-level positions - common practice in the private sector. The National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328) granted this authority to the Department of Defense, and the Partnership believes Congress should expand it across government, including to VA.

#### **Authorize a Public-Private Talent Exchange for VA employees**

The Partnership has long supported greater mobility in government. Job rotations offer a rich professional development opportunity in management and policy for current and aspiring leaders and allow agencies to build managerial skills, strategically fill vacancies, and infuse new thinking into their organizations. The Commission on Care endorsed the need for more rotation between VHA and the private sector, noting that "VHA field leaders are cultivated from within VHA with about 98 percent advancing from lower-level field positions. As a result, field senior executives often lack outside experience and first-hand knowledge of alternative management methods."<sup>21</sup> There are many forms this exchange could take, from amending the Intergovernmental Personnel Act to allow for rotations to the private sector, to a formal exchange program, such as the Executive Management Fellowship Program authorized by H.R. 1367. Regardless of the type of program, rotations should be a minimum of six months in length, offer meaningful work assignments and leadership opportunities, and serve as an essential part of an executive's career path.

#### **Allow VHA to Use Direct Hire Authority for Any Position with a Shortage of "Highly-Qualified" Talent**

As I noted above, use of direct hire authority requires that an agency demonstrate a severe shortage of qualified candidates, generally interpreted as a shortage of candidates who are "minimally qualified." The minimal standard is not just the wrong one to use but is extremely difficult to demonstrate in practice, as there are some positions and geographic locations for which it is simply difficult to recruit and hire. Demonstrating a lack of minimally qualified candidates requires an agency to go through the full hiring process before applying to OPM for such authority, adding a minimum of six months to the process. Congress should grant VHA expanded direct hire authority under the "highly-qualified" standard so that it can quickly recruit and hire top talent. The agency would not require OPM approval, but OPM or another oversight body could be required to conduct audits after the fact to ensure that VA uses this authority properly.

Require applicants for Senior Executive Service (SES) positions to apply with a resume in the initial stage of the hiring process rather than submit lengthy Executive Core Qualification narratives. Allow agencies, including VA, to make final selections for SES positions, with OPM oversight.

No private sector employer asks applicants for executive-level positions to write lengthy essays to demonstrate their qualifications, yet this is what the government asks of most applicants for its executive positions. Aspiring federal executives must complete long narratives explaining how they have demonstrated the Executive Core Qualifications (ECQs), which compose the set of competencies against which agencies and OPM evaluate senior executives. A report by the Partnership, *A Pivotal Moment for the Senior Executive Service: Measures, Aspirational Practices and Stories of Success*, pointed out that the application process "discourages many potential candidates from applying, particularly if they come from the private sector."<sup>22</sup> The Commission on Care also recommended exempting VHA from the ECQs

<sup>21</sup> "Commission on Care: Final Report," p. 110.

<sup>22</sup> *A Pivotal Moment for the Senior Executive Service: Measures, Aspirational Practices and Stories of Success.* Partnership for Public Service with McKinsey & Company, June 2016, p. 15, <https://ourpublicservice.org/issues/government-reform/SES-report.php>.

narratives.<sup>23</sup> A resume should provide sufficient information for VA to do an initial screening of applicants. Should additional information be needed later in the process, the agency can collect it.

Also, agencies are required to submit the materials of their SES applicants for review by an OPM-administered Qualifications Review Board (QRB). The board is the last step in the SES selection process, and its purpose is to certify that an SES candidate possesses broad leadership skills.<sup>24</sup> The QRB process extends the length of the hiring process even though nearly all applicants are ultimately approved.

The Partnership recommends addressing these interconnected challenges by authorizing agencies, including VA, to certify their executives, with appropriate oversight from OPM, and require individuals to apply for executive positions, at least in the early stages, with a resume. Several agencies, including the General Services Administration and Customs and Border Protection, currently use resume-based hiring.<sup>25</sup> We understand that VA has tried resume-based hiring in the past with mixed success because the agency had to assume additional work in putting together the applicant's package for the QRB. If VA were exempted from the QRB, the department could determine an application and assessment process that would enable them to screen for top talent without burdening the applicant or human resources office.

### **Invest in the HR Workforce**

The Veterans Health Administration, with Congress' assistance, must do far more to support and expand the HR workforce. The Defense Department's acquisition workforce reforms may serve as a model.<sup>26</sup> The Department of Defense has instituted new qualifications standards for acquisition specialists, created training opportunities, and requested direct hire authority to bring in needed acquisition talent. I applaud you, Chairman Wenstrup, for addressing the need for additional HR training in your legislation. However, measures to expand the capabilities of the HR workforce should accompany measures to expand its capacity and integrate it across the organization. Exempting HR specialists from the federal hiring freeze would be a good first step. VHA's central HR office, which is responsible for developing agency-wide HR policies and training, must also think more strategically about what training it currently offers, what it should start or stop offering, how best to deliver training, and how to provide the resources on the ground to make it happen.<sup>27</sup> More thoughtful evaluation of required training could both increase the skill level of the current HR workforce and free up time now spent on unnecessary or unhelpful training.

In my testimony last year, I recommended that the subcommittee request more information on the status of VA HR training programs and how training offerings can be streamlined and updated to meet the Department's most pressing talent needs.<sup>28</sup> I also recommended that training includes best practices for HR staff in effectively engaging with hiring managers to maximize the success of the hiring process and satisfaction with new hires and to expand the availability of training to all VA employees engaged in recruitment activities. Because the need for a strengthened VHA HR workforce remains as acute as ever, I believe these recommendations remain relevant.

### **Think About the Veterans Health Administration in the Context of Broader Civil Service Reform**

<sup>23</sup> "Commission on Care: Final Report," p. 134.

<sup>24</sup> "Senior Executive Service: Selection Process." OPM.GOV, <https://www.opm.gov/policy-data-oversight/senior-executive-service/selection-process/#url=Qualifications-Review-Board>.

<sup>25</sup> "Senior Executive Service: Selection Process," p. 16.

<sup>26</sup> United States. Cong. House. Committee on Homeland Security and Governmental Affairs, Subcommittee on the Oversight of Government Management. Hearing on Building and Maintaining an Effective Human Resource Workforce in the Federal Workforce. May 9, 2012. 112th Cong. 2nd sess. Washington: GPO, 2012 (statement of John Palguta, Vice President for Policy, Partnership for Public Service).

<sup>27</sup> For the purpose of full disclosure, the Partnership operates the Emerging HR Leaders (EHRLE) training program. The Emerging HR Leaders Forum is a professional development program for HR employees early in their federal careers. Through monthly education sessions featuring group discussions, facilitated activities and guest speakers, participants will develop the knowledge, network and perspective necessary to lead in the federal human capital community.

<sup>28</sup> United States. Cong. House. Committee on Veterans' Affairs, Subcommittee on Economic Opportunity and Subcommittee on Health. Hearing on Draft Legislation to Improve the Authority of the Secretary of Veterans Affairs to Hire and Retain Physicians and Other Employees of the Department of Veterans Affairs. March 16, 2016. 114th Cong. 2nd sess. Washington: GPO, 2016 (statement of Max Stier, President and CEO, Partnership for Public Service).

Many of the challenges experienced by the Veterans Health Administration in recruiting, hiring, and retaining top talent are the result of the flaws of the civil service system. The Commission on Care made the case well: “VHA lacks competitive pay, must use inflexible hiring processes and continues to use a talent management approach from the last century. A confusing mix of personnel authorities and position standards make staffing and management a struggle for both supervisors and human resources personnel.”<sup>29</sup> The Partnership, in its 2014 report, *Building the Enterprise: A New Civil Service Framework*, decried the balkanization that has resulted from agencies seeking one-off exemptions from personnel laws and offered a blueprint for reforming the outdated and overly complex civil service system. The report suggested reforms to hiring, pay, job classification, accountability, and leadership.

In our view, solving the problems at VHA will require reforms at the enterprise level. And, as a sprawling organization with a mission that demands highly specialized talent, VHA could serve as a potential model for broader civil service reform. Though this committee does not have jurisdiction over the broad civil service system, it can push for the broader changes needed to give VHA the high-performing personnel system it needs to accomplish its mission. This type of government-wide reform would have the added benefit of helping other agencies that provide services to veterans and their families, such as the Veterans Benefits Administration and the National Cemetery Administration.

#### **Shine a Spotlight on What Is Going Right**

The Department of Veterans Affairs, and the Veterans Health Administration specifically, face challenges as a result of a small number of employees’ poor performance and misconduct. But this should not overshadow the incredible work done by dedicated VA employees every day. Focusing simply on firing risks negatively impacting recruitment and hiring without any improvement in performance. Instead, I urge the Committee to focus on what is going right in the Department and to highlight the incredible, life-changing work that happens in VHA facilities across the country.

The Partnership’s Service to America Medals program, which highlights excellence in our federal workforce, brings attention to just a few of these inspiring stories. For example, in the James J. Peters VA Medical Center in New York City, medal winners Drs. William Bauman and Ann Spungen greatly improved the health care and the quality of life of paralyzed veterans by developing new ways to treat long-overlooked medical problems. Dr. Thomas O’Toole, director of the VA’s National Center on Homelessness Among Veterans, created two nationwide programs to help high-risk, high-need homeless veterans receive comprehensive medical care, housing assistance, and social services to reclaim their lives. A third VA leader, Ronald Walters, currently the Acting Under Secretary for Memorial Affairs, honored veterans by delivering the pinnacle of care and service at their final resting place, while increasing availability and access to burial sites throughout the country. The National Cemetery Administration has placed first among public and private sector organizations in customer service for the last six years and places a high priority on providing excellent service to veterans and their families.<sup>30</sup> This kind of accomplishments occur across the Department every day, and I urge the Committee to use its platform to share them with the public.

#### **Conclusion**

Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee on Health, thank you again for the opportunity to offer the Partnership’s views on the challenges faced by the Veterans Health Administration in recruiting and retaining a world-class clinical and administrative workforce. The work and continued oversight of this Subcommittee are critical to ensuring that VHA can meet its talent need both today and in the future, and I look forward to supporting this subcommittee’s work in the new Congress. I am now happy to answer any questions you may have.

<sup>29</sup> “Commission on Care: Final Report,” p. 139.

<sup>30</sup> “VA’s National Cemeteries Lead Nation in Satisfaction Survey.” U.S. Department of Veterans Affairs, February 2017, <https://www.cem.va.gov/CEM/pressreleases/VA—National—Cemeteries—Lead—Nation—in—Satisfaction—Survey.asp>.



**Prepared Statement of Louis J. Celli, Jr.**

The American Legion has been concerned about the dangers of physician and medical specialists staffing shortages at the Veterans Health Administration (VHA) since 1998. In 2003 we established our System Worth Saving (SWS) Program in 2003, and have continued to track and report staffing shortages at VA medical facility across the country. Our SWS report is submitted to Congress, VA, and the President of the United States. For more than 98 years The American Legion has dedicated considerable resources to monitoring the healthcare system established to care for America's returning veterans.<sup>1</sup>

Chairman Wenstrup, Ranking Member Brownley and distinguished members of the Subcommittee on Health; on behalf of more than 2.2 million members of The American Legion and our National Commander Charles E. Schmidt; The American Legion, the largest patriotic service organization for veterans serving every man and woman who has worn the uniform for this country, we thank you for the opportunity to testify regarding The American Legion's position on "Healthy hiring: Enabling VA to recruit and retain quality providers."

Unfortunately, there are no easy solutions for VHA when it comes to effectively and efficiently recruiting and retaining staff at VA healthcare facilities. The American Legion believes that access to basic health care services offered by qualified primary care providers should be available locally as often as possible at all times.

In 2004, The American Legion urged VHA to develop an aggressive strategy to recruit, train, and retain advanced practice nurses (APN's), registered nurses (RN's), licensed practical nurses (LPN's), and nursing assistants (NA's) to meet the inpatient and outpatient health care needs of veterans. The Legion fully supports VA's education-assistance programs for APNs, RNs, LPNs, and NAs. We also urged VA to provide equitable and competitive wages for Advanced Practice Nurses (APNs), Registered Nurses (RNs), Licensed Practical Nurses (LPNs), and nursing assistants.<sup>2</sup>

A full one-third of all veterans treated by the VA live in a rural area<sup>3</sup>, and The American Legion echoes VA's concern, supports their efforts and the efforts of this committee, to increase access to quality health care for veterans living in these communities. As the number of veterans residing in rural communities continues to grow veterans will continue struggling to find timely and quality VA health care that meets our community's health care needs. VA medical centers in rural areas face ongoing challenges recruiting and retaining qualified medical and clinical providers due to their inability to compete with medical centers in large metropolitan areas. In The American Legion's 2012 SWS Report on Rural Healthcare, American Legion research found:

*"Department of Veteran Affairs Medical Centers (VAMC) in rural America, recruitment, and retention of primary and specialty care providers has been a constant challenge. Some clinicians prefer to practice in more urban settings with more research opportunities and quality of life that urban settings provide."*<sup>4</sup>

During our 2013 site visit to the Huntington VA Medical Center in Huntington, West Virginia we recommended, "VHA conduct a rural analysis for hard to recruit areas and look into different options to support VAMCs in getting the talent they need to serve veterans better." VHA needs to ensure that veteran health care is consistent across each Veterans Integrated Service Network (VISN).

In 2014, The American Legion published an SWS report titled "Past, Present, and Future of VA Healthcare", which noted several challenges VA still faced regarding recruiting and retention such as:

- *Several VAMCs continue to struggle to fill critical leadership positions across multiple departments.*
- *These gaps have caused communication breakdowns between medical center leadership and staff that work within these departments.*

In 2015, during our SWS site visit to the VA Medical Center in St. Cloud, Minnesota, providers were openly upset about the number of physician vacancies, and how the additional workload is impacting morale at the medical centers. During the same visit, one veteran told us "every time [I] visit the medical center, [I am] as-

<sup>1</sup>Resolution 311: The American Legion Policy on VA Physicians and Medical Specialists Staffing Guidelines

<sup>2</sup>Resolution No. 237: The American Legion Policy on VA Nurse Recruitment and Retention

<sup>3</sup><https://www.ruralhealth.va.gov/docs/ORH-Infosheet-WorkforceAndFacilities-FINAL-508.pdf>

<sup>4</sup>The American Legion: 2012 System Worth Saving Report on Rural Health Care

signed a new primary care provider because [my] last provider either quit or transferred to another VA.”

There have been numerous reports citing VA’s staffing issues, for example in January 2015 the VA’s Office of Inspector General (VAOIG) released the report Determination of Veterans Health Administration’s Occupational Staffing Shortages<sup>5</sup>, that performed a rules-based analysis on VHA data to identify these occupations. The VAOIG determined that the five occupations with the “largest staffing shortages” were Medical Officer, Nurse, Physician Assistant, Physical Therapist, and Psychologist.

In 2015, The American Legion appeared before members of the House Veterans’ Affairs Subcommittee on Health and testified again that VA physicians and medical specialists staffing shortages within the Veterans Health Administration (VHA) were dangerously low and required immediate attention<sup>6</sup>. Two years later we are here again to discuss this very important issue, which has now escalated to a level that is creating physician burnout and degradation of employee morale within VHA. Through our SWS site visits The American Legion has heard first hand from VA clinicians, non-clinical employees, and veterans, how the staffing crisis is impacting the VA healthcare system and the patients they serve.

From December 2015 through February 2017, The SWS Program visited more than twenty-five VA health care facilities nationwide. When we asked to describe their number one challenge; directors, human resource officers, and VA managers unanimously responded “staffing.” Medical center vacancies ranged from as low as 44 positions at smaller medical centers to over 300 at the larger medical centers. Critical vacancies exist across all occupations, clinical as well as administrative. Directors are being rotated from one VA medical center to another to cover critical shortages, which was the case in over 50 percent of the medical centers we visited during that time frame.

As an example, at the time of our December 2016 visit to the Pacific Island Health Care System, the director, and chief of human resource position were both vacant. At the time of our January 2017 visit to the Greater Los Angeles VA Health Care System, the medical center director had been in his position for less than a year, and the associate director, chief, and assistant chief, human resource positions were ALL vacant. During a follow-up call last month, the VA Pacific Island Health Care System told us that all their top management positions, except for the Director position have now been filled and that the chief of human resources position has been filled with a permanent manager who is highly experienced in human resources.

These staffing shortages are contributing to physician and staff burnout which was reinforced during our Saint Cloud, Minnesota visit. As The American Legion continues to conduct System Worth Saving Site visits across the VA health care system, we see the trend of VA staffing shortages declining rather than improving.

Things that are working well include the significant contribution of the VA’s Academic Residency Program. As one of the VA’s statutory missions, the VA conducts an education and training program for health profession students and residents to enhance the quality of care provided to veterans within the VHA healthcare system. For almost sixty years, in accordance with VA’s 1946 Policy Memorandum No. 2, the VA has worked in partnership with this country’s medical and associated health profession schools to provide high quality health care to America’s veterans and to train new health professionals to meet the patient health care needs within VA and the nation. This partnership has grown into the most comprehensive academic health system partnership in American history.

While the VA’s Academic Residency Program has made significant contributions in training VA health care professionals, upon graduation, many of these health care professionals choose a career outside the VA health care system. The VA will never be in a position to compete with the private sector. To this end, The American Legion feels strongly that VA should begin looking into establishing its own VA Health Professional University and begin training their medical health care professionals to serve as a supplement to VA’s current medical residency program.<sup>7</sup> Conceivably, medical students accepted into VA’s Health Professional University would have their tuition paid in full by VA and upon graduation, the graduate would be required to accept an appointment at a federal health facility at a starting salary comparable to what a new medical graduate would be paid by VA based on their experience and specialty. Similar to a military service academy, a VA medical school would be highly selective, competitive, and well respected. Applicants can be nomi-

<sup>5</sup> <https://www.va.gov/oig/pubs/VAOIG-15-00430-103.pdf>

<sup>6</sup> <https://www.legion.org/legislative/testimony/227163/va-staffing-medical-professional>

<sup>7</sup> American Legion Resolution No. 377: Support for Veteran Quality of Life: (Sept. 2016)

nated by their congressional representative, teaching staff can be sourced organically as well as nationally, and real estate is plentiful. This will help ensure the VA will have an adequate number of healthcare professionals to meet the growing number of veterans and their healthcare needs.

Lastly, there are too many vacancies in VHA, and the recent action by the President to freeze federal hiring will only add to delays in performing life-saving surgeries, patient wait times, and claims backlogs. The American Legion believes the president was correct in exempting national security, public safety, and our armed forces from the federal hiring freeze and looks forward to ensuring VA remains properly staffed to serve the veterans we have an obligation to support. According to Acting Undersecretary for Benefits Tom Murphy, The Veterans Benefits Administration alone loses more than 25 of its staff each pay period and equals an attrition deficit of more than 1,300 claims processors, adjudicators, customer support staff, and more.

*“The American Legion believes that the president is correct in exempting national security, public safety and our armed forces from the federal hiring freeze,” National Commander Charles E. Schmidt said. “We fully support his promise to rebuild our military and eliminate the scourge of radical Islamic terrorism from the face of the earth. Acting VA Secretary Rob Snyder has assured us that frontline caregivers will be exempted. We have strong concerns, however, about how this will impact the veterans who have been waiting too long to have their claims processed. The sacrifices that these veterans have made must not be forgotten. VA has made progress in this area, and it must continue to do so.”<sup>8</sup>*

The American Legion calls on the administration to exempt all VA employees from the hiring freeze. All health care employees are essential and critical to the health and safety of all patients entrusted to their care. When a patient’s room is not properly cleaned, the safety and health of the patient are at risk of acquiring life-threatening illnesses such as Methicillin-resistant Staphylococcus Aureus (MRSA) or any other hospital-acquired infections.

Health care provider positions that remain unfilled due to a lack of HR resources impacts the health and safety of patients. For this reason, The American Legion immediately calls for all HR staff to be exempt from this hiring freeze.

### **Conclusion**

The American Legion understands that filling highly skilled vacancies at premiere VA hospitals around the country is challenging. We also expect VA to do whatever is legally permissible to ensure that veterans have access to the level of quality healthcare they have come to expect from VA. VA leadership needs to do more to work with community members and stakeholders. VA has a variety of creative solutions available to them without the need for additional legislative action. One such idea could involve the creation of a medical school, another would be to aggressively seek out public private partnerships with all local area hospitals. VA could expand both footprint market penetration by renting space in existing hospitals where they would also be able to leverage existing resources and foster comprehensive partnerships with the community. Finally, VA could research the feasibility of incentivizing recruitment at level 3 hospitals by orchestrating a skills sharing program that might entice physicians to work at level 3 facilities if they were eligible to engage in a program where they could train at a level 1 facility for a year every 5 years while requiring level 1 facility physicians to spend some time at level 3 facilities to share best practices. Currently, medical staff are primarily detailed to temporarily fill vacancies. This practice fails to incentivize the detailed professional to share best practices and teach, merely hold down the position until it can be filled by a permanent hire.

In addition to what is presented in this testimony, there is a large amount of proposed legislation that would have a positive effect on transforming VA to a more effective healthcare delivery system, most of which The American Legion strongly supports.

As always, The American Legion thanks the Subcommittee on Health for the opportunity to present the position of our 2.2 million veteran members. For additional information regarding this testimony, please contact Mr. Warren J. Goldstein at The American Legion’s Legislative Division at (202) 861-2700 or [wgoldstein@legion.org](mailto:wgoldstein@legion.org)

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<sup>8</sup> <https://www.legion.org/pressrelease/235742/american-legion-offers-praise-concerns-about-white-house-executive-orders>

### Prepared Statement of Steve Young

Good afternoon, Chairman Wenstrup, Ranking Member Brownley, and Members of the Subcommittee. Thank you for the opportunity to discuss the Department of Veterans Affairs (VA) Veterans Health Administration's (VHA) ability to recruit and retain high-quality employees. I am accompanied today by Dr. Paula Molloy, Assistant Deputy Under Secretary for Health for Workforce Services.

#### Introduction

VHA is the largest health care system in the United States, with 170 VA medical centers, over 1,000 community-based outpatient clinics and more than 320,000 employees. VHA recognizes that our mission to provide healthcare to Veterans is impacted by outdated Federal human resources (HR) processes. As you are aware, there is a national shortage of health care providers; and VHA is competing with the commercial sector for these scarce resources. Consequently, we are striving to update internal hiring practices, but also open to legislative assistance to reform VHA's recruitment, compensation, and accountability practices to stay competitive.

#### GAO Report

The Government Accountability Office (GAO) released a report in December 2016 entitled Management Attention Is Needed to Address Systemic, Long-standing Human Capital Challenges. In this report, GAO detailed how limited HR capacity, combined with weak internal control practices, undermined VHA's HR operations and its ability to improve delivery of health care services to Veterans.

GAO made 12 recommendations to improve the HR capacity and oversight of HR functions at its medical centers; develop a modern, credible employee performance management system; and establish clear accountability for efforts to improve employee engagement. VA concurred with 9 recommendations and partially concurred with 3 recommendations to improve VHA's performance management system.

First, I would like to note that many of the HR challenges revealed by this report are not unique to VA, and are experienced across the Federal sector. VHA is impacted more acutely due to our unique health care mission, which has resulted in our using three different personnel systems: the government-wide Title 5 statute; the two systems outlined in Title 38, for physicians, dentists, and nurses; and the Hybrid Title 38 system for allied health professions. Operating with three distinct personnel systems means our HR professionals have one of the toughest jobs in the Federal HR workforce, which partly explains the high turnover and reduced HR capacity within VHA. We agree with GAO's assessment that VA needs to improve HR capacity and oversight of HR functions at our medical centers.

To that end, I am working closely with Dr. Molloy to ensure that HR operations teams in the field and the central office are aligned to address the issues identified in this GAO report. For example, Dr. Molloy's staff is administering a competency assessment of HR staff in Title 5, and is expanding the competency assessment tool to include Title 38 and Hybrid Title 38. I am working with the Veterans Integrated Service Network (VISN) leadership to ensure that HR staff takes the competency assessment tool and uses the results to work towards closing identified knowledge gaps through further training and development.

VHA concurs with GAO's assessment that high-performing organizations seek to create effective incentive and reward systems that clearly link employee knowledge, skills, and contributions to organizational results. VA has been faced with significant caps on awards for several years, resulting in a limited pool of funds for employee recognition. Congress recently established new, VA-specific performance award and incentive spending limitations in Section 951 of the Comprehensive Addiction and Recovery Act of 2016 (CARA). CARA amended Section 705 of the Veterans Access, Choice, and Accountability Act of 2014 to cap VA's spending on employee awards and incentives. Given these caps, VA will pursue ways to maximize effective use of both monetary and non-monetary awards to promote employee performance, as well as maximize existing flexibilities under Title 38 to set market-based compensation. CARA caps on funding for employee performance awards and incentives for recruitment, retention and relocation, while well-intentioned to increase accountability, will result in significant impediments to recruitment and retention in VHA. The \$230 million cap for fiscal years 2017 and 2018 represents a significant decrease in available funding during a time when the market for clinicians is growing increasingly competitive and VHA already faces challenges competing directly with the commercial sector for top talent.

VHA is entering into the next phase of an automated performance management system, called ePerformance. This system allows the development and sharing of consistent performance standards, goals, and competencies. ePerformance is a gov-

ernment off-the-shelf product that is used in several Federal agencies. The product was evaluated by a cross-disciplinary group of subject-matter experts that represented all three VA administrations, the VA Central Office, and the National Unions. VHA continues to use this product in a pilot environment, while all of VHA's performance plan types are configured and tested. Feedback from the previous pilots has been overwhelmingly positive. VHA's expanded use of the ePerformance system ensures procedures are in place to support effective conversations between supervisors and employees, including electronic certification of those conversations. Broad implementation of this technology, as well as any future system, will require adequate IT funding. The target completion date for this project is October 2018.

VHA agrees with the GAO recommendation that better monitoring of employee engagement efforts is needed and a formal governance structure to monitor employee engagement at the workgroup level is being developed. Employee engagement has been shown to be strongly tied to patient satisfaction; and engaged staff are critical to VHA's commitment to rebuilding Veteran trust.

#### **VA Response/60 Day Plan**

To achieve VHA's mission of providing exceptional patient-centered care to America's Veterans, it is essential to recruit and retain highly skilled and dedicated employees functioning at the top of their competency level, as well to develop a talented succession pipeline. VHA has a robust and multi-pronged approach to recruitment. Local facilities have in-house HR departments, as well as nurse recruiters - who reach out to and coordinate with applicants at the local level. This includes outreach to nearby training programs and hosting open houses when needed to facilitate hiring. VHA successfully used this recruitment strategy during the Mental Health, Peer Support, Homeless Program Office, and Intermediate Care Technician national hiring initiatives.

Facilities also produce job and station-specific advertisements in local, state and national publications, journals, newspapers, radio advertisements, and attend local and regional career and job fairs. VA also promotes opportunities for employment on [www.vacareers.va.gov](http://www.vacareers.va.gov) and leading recruitment websites. The Internet is our number one lead source; leads also are gained through promotion online with social media, job boards, and banner advertisements. VA has access to and routinely utilizes a variety of Web-based sourcing platforms that the private industry uses to attract and recruit top clinical talent. These advertisements are placed where targeted clinical providers are most likely to visit to explore practice opportunities.

At the national level, VHA provides programs, services, and tools that enhance recruitment and retention of clinicians, allied health, and support staff. VA's National Healthcare Recruitment Service (NHRS) provides a centralized in-house team of skilled professional recruiters employing best practices to fill the agency's top clinical and executive positions. The national recruiters, nearly all of whom are Veterans, work directly with VISN Directors, Medical Center Directors, clinical leadership, and local HR departments in the development of comprehensive, client-centered recruitment strategies that address both current and future critical staffing needs. NHRS has increased its targeted recruitment efforts for mission-critical clinical vacancies that directly impact patient care and, once filled, will improve Veterans access to care. These specialties include primary care, mental health, women's health and critical medical subspecialties. This fiscal year, NHRS restructured to stand up a dedicated nurse recruitment team, which works in close concert with nurse recruiters at each facility to recruit and streamline the hiring process for this vital component of VHA's workforce.

Historically, VHA has followed hiring practices that have proven to be unduly burdensome. Over the last year, VHA's business process improvement efforts, under the MyVA Critical Staffing Breakthrough Initiative, have resulted in a more efficient hiring process. Rapid Process Improvement Workshops were conducted at each VISN to identify barriers to hiring and other HR practices that could be addressed locally, while issues that required national intervention were escalated and addressed by Dr. Molloy's team. As part of this effort, we were able to reduce the time to hire Medical Center Directors by 40 percent, eliminate use of Professional Standards Boards for hiring medical support assistants as part of the Hire Right Hire Fast initiative, and obtain the authority from OPM to provide critical pay to many of our senior healthcare leaders. As we continue our work to improve HR capacity across VHA, we are engaged with the Department-wide effort to improve the employee experience through a complete overhaul of the onboarding process.

#### **Hiring Freeze**

VA's primary concern during the hiring freeze is to ensure the health and safety of our Veterans. Positions deemed necessary to meet national security or public safety responsibilities are exempt from the hiring freeze. VA exemptions cover a range of occupations that are located in various Medical Centers, Outpatient Clinics, Community Based Outpatient Clinics, and Health Centers that provide direct patient care or which are in direct support to augment care, without which the safety of human lives is at stake. Although HR positions are not exempted from the hiring freeze, we recognize that a well-trained and adequately resourced HR staff is essential to recruit, hire and retain high-quality employees. In addition, we have processes in place to address case by case circumstances should the hiring freeze continue for an indefinite period of time.

### **Conclusion**

Mr. Chairman, I am proud of the health care our employees provide to our Nation's Veterans. Together with Congress, I look forward to making sure that VA can attract and retain the best medical providers and support staff to give our Veterans the care they have earned and deserve. Thank you for the opportunity to testify before this subcommittee. I look forward to your questions.

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## **Statements For The Record**

### **DISABLED AMERICAN VETERANS (DAV)**

#### **STATEMENT OF ADRIAN ATIZADO**

Mr. Chairman and Members of the Committee:

Thank you for inviting DAV (Disabled American Veterans) to testify on the recruitment and retention of high quality clinical and administrative Department of Veterans Affairs (VA) employees. As you know, DAV is a non-profit veterans service organization comprised of 1.3 million wartime service-disabled veterans that is dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity.

Virtually all of our members rely on the VA health care system for some or all of their health care, particularly for specialized treatment related to injuries and illnesses they incurred in service to the nation. To overcome the size and scope of barriers to effective recruiting and retention of VA health care personnel, Congress and VA must work in concert. In reviewing this issue, we highlight those areas where VA lacks control, requiring Congressional action. VA must be empowered to hire the right people, have them in the right places, and empower these dedicated employees to care for our nation's ill and injured veterans.

As the largest integrated health care system in the country, VA is the proverbial "canary in the coal mine" for identifying physician shortages in America's health care workforce. While the exact need has yet to be determined, the Association of American Medical Colleges estimates that the United States is facing a shortage of between 61,700-94,700 physicians by 2025, with specialty shortages particularly acute. The most vulnerable patient populations are in underserved areas, many of which have large veteran populations. With more than 60 percent of United States trained physicians receiving VA training prior to employment, the VA health care system plays an important role in training the next generation of physicians and filling such shortages.

### **NEEDED CHANGES IN EXISTING AUTHORITIES**

VA's effective recruitment and retention strategies must include the coordination of other resources such as physical space issues. All too often we hear of the VA facilities built recently in areas struggling with long waits because planning and building these facilities take so long that they are often immediately over capacity when the doors are opened. Changes in the local health care market occur constantly, but significant changes likely occur during long building timeframes. Certainly, such changes can be addressed in part with last minute but costly changes in the initial design, but VA must identify strategies to truncate this process or better estimate future demand. In addition, Congress should assist VA to be more nimble with its physical footprint by enacting legislation to allow VA to lease facilities.

*Leasing Authority*

Under current law, Congress must enact legislation authorizing VA to lease medical facilities with average annual rental payments in excess of \$1 million. Since 2012 however, Congress has not approved VA leases for its health care employees to work in, hampering the ability of the Department to provide much-needed health care and services to veterans around the country.

The Congressional Budget Office (CBO) changed the way it scores these leases in 2012. Previously, VA major medical facility leases were designated as operating leases and recorded the obligations on an annual basis in an amount equal to the lease payments due in that year, which was the amount used to score the legislation for such leases. In 2012, CBO determined that budget authority for these leases must be recorded up front when the leases are initiated and the acquisition occurs—not when the debt is being repaid. This change significantly increased the scoring of leasing legislation even though actual spending would not increase and the leases are ultimately subject to annual appropriations.

Starting with this Subcommittee, Congress must allow leases to go forward while working on a more permanent resolution on the scoring challenges facing these leases. Without Congressional action, VA will remain unable to effectively manage its physical footprint and its health care workforce to meet the changing health care demands of veterans across the nation.

#### *Telemedicine Authority*

Physical capacity constraints can be mitigated, however. Telehealth is one of the VA's major transformational initiatives, and the number of veterans utilizing telehealth services continues to climb. More than 12 percent of VA patients receive elements of their care through telehealth services. Nearly 90 percent of veterans who utilized the VA's effective telehealth services were satisfied with the care they received and telehealth services save on average \$2,000 per year in health care related costs, including travel to a VA medical facility.

Yet under current law, the VA may only waive the state license requirement for telehealth services if both the patient and physician are located in a federally owned facility. In addition, the VA may only perform in-home telehealth care when the patient and physician are located in the same state.

Legislation is required to address these barriers, which prevent ill and injured veterans from being seen by a VA physician in another state. Rural veterans are particularly affected by this lack of authority and in some cases force them to travel great lengths to a federal facility before receiving telehealth services.

#### *Graduate Medical Education*

VA's participation in graduate medical education (GME) programs assists the Department in the recruitment and retention of high quality clinical staff. GME residency programs occur after medical school graduation, which require three to seven years of additional training and allow physicians to gain specialty knowledge and judgment. Medical residents directly contribute to the clinical care of veterans in their role as supervised trainees who are granted clinical responsibility.

Congress took an important first step towards addressing these shortages and expanding VA's training mission by increasing VA GME slots up to 1,500 residency positions authorized under section 302(b) of Public Law 113-146, the Veterans Access, Choice and Accountability Act of 2014 (VACAA). We applaud VA for including in its effort to successfully utilize this new authority additional funds for such things as the salary of VA staff who are instructors for or supervise residents and trainees; overhead/administrative costs associated with maintaining a GME program, and; minor construction projects, or augment major construction projects, that will allow for necessary expansions of space.

Notably, VA's expanded support for residencies to help address physician workforce shortages must be leveraged using the synergy between a VA hospital and its affiliated academic medical center. Academic partnerships facilitate the joint recruitment of faculty to provide care at both VA and academic medical facilities. VA GME programs also educate new physicians on cultural competencies for treating veteran patients (inside and outside the VA), and help recruit residents physicians to the VA after they complete their residency training. According to results from the VA's Learners' Perception Survey, residents that rotate through the VA are nearly twice as likely to consider employment at VA institutions.

However, VA residency programs are sponsored by an affiliated medical school or teaching hospital. While programs and specialties at VA medical centers vary considerably, on average medical residents rotating through VA spend approximately three months of a residency year at VA. To successfully expand VA GME, VA estimates that affiliated teaching hospitals need two to three positions for every VA position to meet all program requirements.

In addition, VA is limiting additional appointments of residents when fulfilling the requirements of section 302(b) of VACAA. Existing law established in 1997, under title 42, United States Code, imposes a ceiling on hospital residency positions for cost-reporting purposes in the federal graduate medical education program (which reimburses residency costs from federal funds). Congress must address this primary barrier to increasing residency training at medical schools and teaching hospitals.

### VA'S PATIENT POPULATION

To improve and strengthen VA's ability to recruit and retain employees, we assume the providers hired by the Department have the requisite training and expertise. VA's patient population resides in rural and highly rural settings to a greater degree than the general population as a whole. The median age of veterans is nearly 60 years old and over half of veterans using VA outpatient care are older than 65.

Nearly half of veterans enrolled in VA are age 65 and older, nearly a third are over 75, and over a million veterans are over 85. A September 2011 study of the VHA funded by Commonwealth Fund found that VA patients (primarily older men) had much higher rates of many chronic health problems-such as high blood pressure, diabetes, and depression-than the U.S. patient population as a whole. That is, we can expect the average age of enrolled veterans to continue to rise and use VA services at an increasing rate as they age. It should be alarming to this Subcommittee that most VA providers are not Geriatricians.

VA needs physicians trained to meet the special health issues of older veterans. As veterans age, it becomes more common to have a number of health issues and to take several medications at the same time to deal with those problems. Moreover, diseases and medications can have a different effect on older veterans. Geriatricians are trained in the specialty of medicine that focuses the diseases and disabilities of advanced age supported by extensive and decisive literature demonstrating that care of elder patients by non-specialists substantially deviates from established medical recommendations.

Mr. Chairman, if children are best seen by Pediatricians, complex aging patients should be seen by Geriatricians who know how to manage all their health issues and design care plans to deal with the whole person.

The supply of providers best able to meet the type of demand is lacking with interest in practicing this type of medicine in severe decline. Just as it is with Primary Care, practitioners of geriatric medicine are reimbursed at a lower level than other physicians. Who would want to incur additional debt to specialize in a field of medicine and be paid less? Practitioners specializing in the care of elderly patients may need to move from practicing to teaching future providers to increase the supply of clinicians with this advanced knowledge. We urge VA to address this critical need if it is to deliver effective high quality care to our nation's ill and injured veterans.

There are a number of available options to influence the workforce that can be initiated at any time: Congress can target geriatricians using the VA/Medicare GME program; VA can grow the number of providers with advanced training in caring for this challenging population; VA can increase geriatric competencies across the entire workforce, including physicians, nurses, social workers, mental health providers, pharmacists, and; VA can increased provider-to-provider consultation might serve as a partial strategy while building the necessary workforce.

### RURAL AREAS

The DAV believes VA is working in good faith to address its shortcomings in rural areas but still faces major challenges. Shortages, recruitment and retention of health care personnel are key challenges to rural veterans' access to VA care and to the quality of that care. The Future of Rural Health report recommended that the federal government initiate a renewed, vigorous, and comprehensive effort to enhance the supply of health care professionals working in rural areas.<sup>1</sup>

Through VA's existing partnerships with 165 medical schools, over 43,000 medical residents and 24,000 medical students receive some of their training in VA facilities every year. In addition, nearly 54,000 associated health sciences students from over 1,000 schools-including future nurses, pharmacists, dentists, audiologists, social

<sup>1</sup>Quality Through Collaboration: The Future of Rural Health, Committee on the Future of Rural Health Care, Board on Health Care Services, Institute of Medicine of the National Academies, the National Academies Press, Washington, D.C., 2005.



workers, psychologists, physical therapists, optometrists, respiratory therapists, physician assistants, and nurse practitioners-receive training in VA facilities.

VA is in the unique position of employing individuals within the same profession under two differing hiring authorities, title 5 and title 38 of the United States Code. VA also has been given the authority to classify employees in a "hybrid" employee status, which removes employees from a Title 5 competitive service system and empowers VA to offer competitive salaries as well as create and interpret rules for hiring and promoting certain health care employees exclusively under its own unique authority.

Whether in health, benefits or other services, VA invests a significant amount of effort and resources into training its workforce to meet the specific needs of veterans. Maintaining the wealth of experience, skills and knowledge needed by VA employees is essential to carry out the VA mission. To retain quality employees, VA needs to provide employee incentives and programs that include child care benefits, flexible scheduling, and adequate continuing education allowances to expand skills and underwrite board certification.

### COMPETITION IN RECRUITING

The bureaucratic and lengthy process VA requires for candidates to receive employment commitments and onboarding continues to hinder the VA ability to recruit and officially appoint physicians, nurses, and most commonly, new graduates, who are often in debt from student loans. VA must reduce the amount of time it consumes to bring these new employees on board, and provide its human resources (HR) management staff adequate support through updated, streamlined hiring systems, new procedures, and better training, to maintain the VA ability as a provider of health care, benefits, and other services to veterans.

DAV is aware that more seasoned recruiters are able to streamline and compress VA's lengthy process using current authority in aggressive and novel ways. VA should encourage these local innovators to self-identify, test the feasibility of their practice, and disseminate this information through dedicated times for education and training.

While VA has statutory authority to directly hire physicians, it is not authorized to offer them employment until after they complete their residency program. Since private health care systems often offer residents employment a year or two before completing their residency programs, VA is at a disadvantage when hiring health care professional who complete their residency at VA medical facilities. This statutory limitation hinders VA's ability to hire and retain physicians who complete their residency program at VA and would like to continue to work at VA.

Also, VA leadership must ensure recruitment strategies and goals are shared by local HR staff across the system as they carry out their duties. VA administrations produce annual Workforce and Succession Strategic Plans that establish VA-wide HR recruitment and retention goals. VA must create and adopt performance measures and standards that systematically identify when these recruitment goals are achieved, and when they are not.

To this end, we are appreciative of the report by the Government Accountability Office on its findings of high attrition among VA's HR staff and an increasing workload to fulfill HR functions have made it difficult to implement its Workforce and Succession Strategic Plans. VA must fully address challenges with its workforce identified by GAO before HR staff can be held accountable to performance measures and goals for recruitment and retention. The failure to fill critical vacancies across VA in a timely manner directly impacts the Department's ability to provide services to veterans.

### BURNOUTS

VA's Center for the Study of Healthcare Innovation, Implementation and Policy (formerly the VA HSR&D Center of Excellence for the Study of Healthcare Provider Behavior) has been studying VA provider burnout-a syndrome characterized by specifically work-related emotional exhaustion, otherwise known as cynicism, depersonalization and a reduced sense of personal accomplishment.

As this Subcommittee is aware, VA launched the patient-aligned care team (PACT) initiative in 2010 to implement a medical home model in more than 900 primary care clinics nationwide. Two years later in 2012, a survey showed that about 39 percent of primary care employees participating in PACT transformation screened positive for burnout and includes 45 percent of all providers that were surveyed.

A more recent study published in the Journal of Internal Medicine looking at burnout among VA Primary Care team members, the overall prevalence of burnout

was 41 percent for fully staffed teams with team turnover and overcapacity patient panel. There was a lower but significant burnout prevalence of 30 percent for fully staffed teams with no turnover and caring for a patient panel within capacity. DAV believes the burnout rate in VA health care teams needs to be addressed by VA and deserves strong oversight by the Subcommittee.

In closing, we thank you for this opportunity to provide testimony for the record. We ask the Committee to consider these situations as it deals with its legislative plans for this year. This concludes my testimony, and I will be happy to address any questions from the Chairman or other Members of the Subcommittee.

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### PARALYZED VETERANS OF AMERICA (PVA)

Chairman Wenstrup, Ranking Member Brownley, and members of the subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to offer our views on recruiting and retaining quality providers at VA. The degree to which this issue impacts our members, veterans with a spinal cord injury or disease (SCI/D), cannot be overstated. We are grateful to be part of this discussion.

The access to care issues plaguing Department of Veterans Affairs (VA) can almost always be traced back to staff shortages, and the systemic consequences of those shortages, within the health care system. These staffing shortages are a result of improper staffing decisions, a lack of sufficient resources, and the misallocation of existing resources. No reformation of staffing or capital infrastructure processes will increase access without appropriate resources. Despite the increase in resources provided to VA in the past, there is still a significant need for increase in resources to serve an impending demand from aging veterans.

PVA, as well our partners in The Independent Budget (IB), DAV and VFW, believe in a holistic approach to workforce development for VA-one that allows for the recruitment, training and retention of a high quality workforce, while at the same time granting VA the authority to hold employees accountable. In order to transform the culture and timeliness of care, Congress must enable VA to quickly hire a competent workforce with competitive compensation that ensures VA is a first-choice employer among providers.

No one is more affected by provider shortages than those veterans with complex injuries who rely on VA to treat their specialized needs. Unfortunately, VA has not maintained its capacity to provide for the unique health care needs of severely disabled veterans-veterans with spinal cord injury/disorder, blindness, amputations, and mental illness-as mandated by P.L. 104-262, the "Veterans' Health Care Eligibility Reform Act of 1996." As a result of this law, VA developed policy that required the baseline of capacity for Spinal Cord Injury/Disease System of Care to be measured by the number of available beds and the number of full-time equivalent employees assigned to provide care.VA was also required to provide Congress with an annual "capacity" report to be reviewed by the Office of the Inspector General. This reporting requirement expired in 2008, and was reinstated in last year's "Continuing Appropriations and Military Construction and Veterans Affairs Appropriations Act for FY 2017." This report, a critical tool of oversight, should be made available to Congress by September 30 of this year. However, we have serious concerns about VA's plan to re-implement this requirement.

It is worth noting that the SCI/D System of Care is the only specialty service line with its own staffing mandate, implemented in 2000, as a standardized method of determining the number of nursing staff needed to fulfill all points of patient care. VA has not met this statutory mandate. For years, PVA has identified chronic staff shortages, resulting bed closures, and denied admissions. Since 2010, VA has operated at only 60% of the capacity mandate. Further still, the mandate itself is 17 years old, and in need of an update to reflect the aging population of veterans. Such an update would provide a starker picture of unmet need for the most vulnerable population of veterans.

When there is a shortage of nurses in a specialty care setting, veterans will be denied admission to that facility, because there aren't the hands to provide care. The unused beds are then either closed, or used for other specialties-further denying access. To complicate the matter, leadership uses a facility's average daily census to substantiate its staff and budget requests. The average daily census only captures that day's utilization, it does not capture that day's denied admissions. Since SCI/D centers are funded based on utilization, refusing care to veterans does not accurately depict the growing needs of aging and newly separated veterans. This dy-

namic is inherently compromising to patient safety and is the clearest evidence for the need to provide resources to quickly improve provider recruitment and retention.

PVA strongly advocates for Congress to provide sufficient funding for VA to hire physicians, nurses, psychologists, social workers, and rehabilitation therapists to meet the true demand for services in the SCI/D system of care. In 2015, SCI/D nurses worked more than 105,000 combined hours of overtime due to understaffing. Such a trend is unnecessary and dangerous, and has led to an inevitable staff burn-out, low morale and in some circumstances, jeopardized the health care of patients. Left to their own devices, too many facility directors have staffed spinal cord injury centers like non-specialty/general rehabilitation or geriatric units. VA's staffing decisions do not properly account for the unique skills required of the nursing staff in an SCI/D unit. This leads to floating nurses who are not properly trained to handle SCI patients or overworking the existing nursing staff, which in turn leads to burn out, injury, and staff departure. Veterans are then left without the responsive bedside care they need. Considering SCI/D Veterans are the most vulnerable patient population, the reluctance to meet legally mandated staffing levels is tantamount to willful dereliction of duty.

Additionally, it is no surprise to suggest VA's administrative bureaucracy has ballooned in recent years. Arguably, resources devoted to expanding administrative staff have significantly jeopardized the clinical operations of VA. We believe serious consideration needs to be given to rightsizing the administrative functions of VA to free critical resources and dedicate them to building clinical capacity. Congress must use its oversight authority to ensure VA is using its own range of authorities to recruit and compensate providers in critical health care positions.

Mid-level management at the VISN level seems to have obfuscated all responsibility for clinical staff shortages, while maintaining themselves handsomely. The 21 VISNs, managed by directors and senior managers control the funding for all 1,233 VA health facilities, and are required to oversee the performance for their VA facilities and providers. Currently a nominal appointment, this structure was intended to decentralize decision-making authority and integrate the facilities to develop an interdependent system of care.

In 1995 the total number of VISN staff was 220. In fiscal year 2011, the total number of VISN employees had climbed to 1,340, a 509% increase, while bedside clinician and nurse staffing in specialized VA services plateaued, then fell behind demand. Meanwhile, the VA failed to request from Congress the resources to meet health care demand, particularly in specialized services such as spinal cord injury and disorder care and inpatient mental health.

A modernized and effective human resources operation is vital to any organization, especially one as large as VA. The multiple authorities governing the VHA personnel system are incompatible with a high-performing health care system. Hiring managers and their employees must attempt to understand the end-to-end hiring process under four separate rules systems. This unnecessarily adds complexity to the hiring system which is difficult for both the potential employee and the human resources staff to navigate. The unnaturally slow hiring process also ensures VA loses talented applicants. It is not reasonable to expect a quality provider to wait up to six months for VA to process an application. Similarly, when an employee announces his or her forthcoming retirement or departure from VA, HR is unable to begin the recruiting or hiring process for that position until it is actually vacated. This not only causes an unnecessary vacancy, exacerbated by the lengthy hiring time, but it also prevents a warm handoff between employees and any chance for training or shadowing.

PVA believes that veterans have suffered from VA's inability to be competitive with its private sector health care counterparts who do not face the same restrictions on pay and benefits. In the face of a nationwide provider shortage, and an aging generation of baby boomers, VA must be competitive now in order to have any chance of meeting the needs of veterans.

While the personnel challenges facing VA, are numerous, and often frustrating, it is important to remember these staffing issues and how they are resolved will have an immediate impact on the life and well-being of catastrophically injured veterans. For the thousands with complex needs, there is no private sector alternative where they can seek care until VA's access problems are solved.

Thank you for the opportunity to present our views on these issues.

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**VETERANS OF FOREIGN WARS OF THE UNITED STATES (VFW)**

CARLOS FUENTES, DIRECTOR

Chairman Wenstrup, Ranking Member Brownley and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, I want to thank you for the opportunity to present the VFW's views on ways the Department of Veterans Affairs (VA) can improve recruitment and retention of high quality health care professionals.

When the VFW asked veterans how they would improve the VA health care system in our latest survey of VA health care entitled "Our Care 2017," the most common suggestion was to hire more health care staff to reduce wait times. The VFW thanks this subcommittee for recognizing that VA's ability to hire and retain high quality employees is equally as important as its ability to fire or demote wrongdoers. Considering that more than 30 percent of VA employees will be eligible for retirement by 2020, it is important that Congress focuses on ways to improve VA's hiring and retention authorities to ensure veterans have timely access to the care they have earned.

If VA is not able to quickly hire high quality employees, it will lack the staff needed to accomplish its mission. In its report, "Hurry Up and Wait," the VFW highlighted deficiencies in VA Human Resources practices. The VFW recommended Congress ease federal hiring protocols for VA health care professionals to ensure VA can compete with private industry to hire and retain the best health care providers in a timely manner.

In their review of VA's scheduling system and software development as required by the Veterans Access, Choice and Accountability Act of 2014 (VACAA), the Northern Virginia Technology Council (NVTC) reinforced the VFW's concerns that VA's hiring process moves too slowly. NVTC suggested that for VA to be successful, it must aggressively redesign its human resources processes by prioritizing efforts to recruit, train, and retain clerical and support staff.

That is why the VFW is glad the House of Representatives unanimously passed H.R. 1367, which would improve the authority of the Secretary of Veterans Affairs to hire and retain physicians and other employees. This important bill would make many needed improvements to the way VA hires and retains high quality employees.

The VFW would like to thank this subcommittee for incorporating a suggestion from one of this year's VFW-Student Veterans of America (SVA) fellows into a proposed Executive Management Fellowship Program. In his proposal, "Connecting America's Best to Serve America's Best," Karthik A. Venkatraj highlighted how a private-public partnership program such as the Executive Management Fellowship -- where VA leaders are detailed to a private sector company and vice versa -- can infuse private sector expertise and disciplines into VA governance and management. The proposed fellowship would also grant private, non-profit and academic institutions the ability to immerse its leadership in the highest levels of our nation's public policy to better understand how the public and private sector can learn from each other and work together to improve the lives of America's veterans.

The VFW also lauds this subcommittee for taking steps towards improving veterans preference to ensure veterans who served in the Guard and Reserve are afforded the same hiring preferences as their active duty counterparts. Currently, veterans who served after September 11, 2001, are required to have served at least 180 consecutive days on active duty. Due to our all-volunteer military and the nature of the wars in Iraq and Afghanistan, the Guard and Reserve have been utilized much more than they have during past conflicts. However, not all Guard and Reserve service members receive active duty orders for more than 180 days. Thus, many veterans that deployed into harm's way in support of the wars in Iraq and Afghanistan are not eligible for veterans hiring preferences. Changing the eligibility for veterans preference from "180 consecutive days" to "180 cumulative days," ensures Guardsmen and Reservists are afforded the same opportunity to obtain meaningful civilian employment after military service as their active duty brothers and sisters.

H.R. 1367 also included other ideas the VFW has suggested and supported in the past, such as expedited hiring authority for students enrolled in a VA residency or internship program and recent graduates who are being poached by private sector health care systems because VA's hiring process is too long and cumbersome. It also includes a requirement for VA to conduct and use exit surveys to determine why its medical professionals are leaving. Doing so would ensure VA is able to address retention issues, which is one of the biggest reasons behind VA staff short-

ages. While H.R. 1367 included a number of important provisions to improve VA's hiring and retention authorities, there are more steps Congress and VA can take.

VA must conduct periodic demand and capacity analyses in each health care market to properly size its footprint in each community and leverage the capabilities of community care partners. Doing so would enable VA to adjust to changes in the veteran population and develop staffing models based on actual medical need and function level. The VFW applauds Secretary of Veterans Affairs David J. Shulkin for announcing in a recent House Committee on Veterans' Affairs hearing that he would ask his staff to conduct demand and capacity analyses. The VFW urges Congress to ensure Secretary Shulkin has the authority and resources to do so.

Another program that needs congressional attention and proper resources is the VA Health Professionals Education Assistant Program (HPEAP). VA operates a number of programs as part of HPEAP to incentivize health care professionals to join VA. The most popular incentive is the Debt Reduction Program which enables VA to provide certain employees up to \$120,000 over five years to repay student debt. This program serves as an important recruitment and retention tool and has seen a major increase in usage mainly due to increased funding from VACAA. Thanks to VACAA, VA was able to enroll 696 new participants in this program in 2015 -- a 250 percent increase in new awards compared to 2013.

However, the infusion of resources from VACAA are set to be exhausted soon and VA will have to rely on its annual appropriations to fund this important program. Before VACAA, medical facilities were not given the resources needed to properly use this program. Facilities were only given enough resources to reimburse two or three employees the max amount or provide a small reimbursement to all the medical center's hard to recruit and retain occupations. Lack of proper funding would erode this program and diminish its impact on VA's ability to recruit and retain high quality health care providers. Congress must ensure the VA Debt Reduction Program continues to be properly funded to ensure it remains a powerful recruitment and retention tool for VA.

A recent VA Office of Inspector General (OIG) report entitled "Audit of Recruitment, Relocation, and Retention Incentives" found that VA -- particularly the Veterans Health Administration (VHA) -- has misused certain incentives or failed to follow proper steps before using such incentives. H.R. 1367 would require VA to establish a Human Resources Academy to train Veterans Health Administration human resources professionals on how to best recruit and retain employees. As indicated by this VAOIG report, such training must also include how to properly use recruitment, relocation and retention incentives.

Another onboarding process that has needed attention for far too long is VA's licensing and credentialing process, which is excessively long and should be modified to make certain VA is able hire high quality doctors on a timely basis. The VFW has heard from countless would-be VA doctors who elected to seek employment elsewhere because the onboarding process for VA was too time consuming and strenuous. As mentioned above, VFW's surveys indicate that veterans want more doctors at their VA medical facilities. Requiring doctors who want to serve veterans to jump through hoops deters them from doing so. Congress must require VA to streamline its licensing and credentialing process.

Congress must also ensure VA has the authority to quickly hire frontline staff. Due to the lack of support staff, many VA providers are required to spend time on administrative tasks instead of treating patients or spending more time with their patients. VA is in the process of streamlining its hiring process for medical scheduling assistants (MSAs) and has set the goal of hiring MSAs within 30 days, which is half the time it takes, on average, to hire support staff today. The VFW commends VA for its efforts, but it is time Congress expands direct hire authorities to all Veterans Health Administration staff, not just doctors and nurses.

During our site visits of VA medical facilities, the VFW has noticed one constant struggle facilities face -- hiring and retaining entry level clerks who help with answering phones, greeting patients, scheduling appointments, and other administrative tasks. During our visits, we often hear providers and facility leadership say that the lack of administrative support staff limits their ability to deliver health care to veterans, particularly when operating in a patient aligned care team (PACT) where team members are often left to backfill the duties of vacant positions. This contributes to attrition of existing employees who are overworked and underpaid because of vacancies that take too long to fill. Non-clinical VA employees, including frontline staff, are typically hired under title 5, United States Code (U.S.C.) authorities. Unfortunately, such authorities preclude VA from expeditiously hiring qualified candidates to fill vacancies.

Under section 7802 of title 38, U.S.C., the VA Canteen Service is exempted from title 5, U.S.C., competitive service, general schedule pay rates and classification re-

quirements to ensure it is able to provide veterans reasonably priced merchandise and services essential to their comfort and well-being. Similar to VA medical facilities, the Canteen Service relies on entry level employees to operate and maintain its services. However, the VA Canteen Service would not be able to operate its retail stores, cafes, and quality of life programs in VA medical facilities around the country without exemptions from title 5, U.S.C., competitive service requirements.

The VA Canteen Service has the authority to bypass the USA Jobs process and hire employees through referral and traditional job search engines. When it finds qualified candidates, the VA Canteen Service hires employees as contractors while they undergo the 30-60 day process to become a federal employee. This process provides the VA Canteen Service the latitude it needs to ensure its retail stores remain fully staffed despite high turnover rates. The VFW urges Congress to provide VHA similar authorities to quickly fill high turnover vacancies at VA medical facilities.

VA's ability to effectively build, lease and maintain its capital infrastructure has a direct impact on delivery of care. Regardless if VA is able to quickly or efficiently hire health care professionals, VA may still lack the ability to keep pace with increased demand for care due to outdated exams rooms or insufficient space. That is why the VFW strongly urges this subcommittee to consider and pass legislation to reform VA's capital leasing process.

Current congressional rules require the Veterans' Affairs Committees to offset the full ten-year cost of leases in the first year. This makes authorizing leases nearly impossible. There are currently 24 major medical leases from fiscal years 2016 and 2017 that Congress has yet to authorize. Delays in authorization of these leases have a direct impact on VA's ability to provide timely care to veterans. Congress must authorize pending leases and reform the authorization process.

The VFW believes VA must also improve its process for major construction projects. To ensure VA is able to complete major construction projects on time and on budget, the VFW believes VA must move its construction process entirely to an Integrated Design Bid Build (IDBB) model. This will allow VA to shorten the overall length of major construction projects by overlapping the three phases of the project. Additionally, using the IDBB process would allow state of the art medical technology to be in use during its prime years, meaning VA would get more use out of expensive medical equipment.

The largest added benefit of the IDBB process is it saves time over the entire length of the project. Currently, the three phases of building -- the design, the bidding, and the building -- happen sequentially. Integrating the three phases allows for some overlap of the different phases and shortens the entire length of the project, sometimes by years.

The other added benefit of the IDBB is bringing the contractors on board during the design phase of the project, which allows the builders and the designers to interact as a team and helps prevent future conflicts during the building phase. Teamwork in the design phase alleviates problems up front, which saves time and ultimately money.

In closing, I would like to thank the Subcommittee for advancing accountability and workforce reform legislation, which would have a significant impact on VA's ability to deliver the timely, high quality, and veteran-centric care our nation's veterans have earned. However, those are only the first steps towards building a quality VA workforce. We look forward to working with this subcommittee to identify and advance meaningful reforms to ensure VA is able to recruit and retain top-performing health care providers.

