STATEMENT OF
CATHLEEN C. WIBLEMO, DEPUTY DIRECTOR
VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
RIGHT-SIZING THE DEPARTMENT OF VETERANS AFFAIRS INFRASTURCTURE

MAY 11, 2006

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to present The American Legion's views on the ongoing effort to realign health-care facilities in the Department of Veterans Affairs (VA). The American Legion has continued to monitor progress in this very important process. Equally important is that we not lose sight of why VA has been tasked in recent years to re-evaluate the utilization of its infrastructure. With the rapid advancements in technology and medicine that the national health-care system is experiencing, VA will be compelled to continue the evolution of its health-care delivery system far into the future. It should be a never-ending process.

History

In 1994, VA was under severe scrutiny and faced the very real prospect of becoming an outdated system of health-care delivery. Users' expectations were not being satisfied and VA was falling noticeably short in providing high quality and timely health care.

During this time, many concerns were raised about the viability and future role of VA health care. Some advocated turning VA functions over to the private sector because the veterans health-care system had not been as responsive as it should have been to changes in health care and in society.

Dramatic change needed to take place, and in late 1994 VHA leaders developed a plan to transform the system. The transformation was more than just the creation of the Veterans Integrated Service Network (VISN) management structure that decentralized the decision-making processes. From 1995 to 1998, VHA implemented universal primary care, the shift from inpatient to outpatient care and the establishment of community-based outpatient clinics. During this time, a national formulary was developed under the new pharmacy benefits management program and VHA's education and research programs were restructured. Additionally, landmark eligibility reform legislation; new cost accounting and clinical management system; and initiating changes in personnel practices, program functions and performance assessment were implemented.

The paradigm shift and transformation of VA health care that occurred in those four or five years left the department with an infrastructure that was outdated and more than it needed in order to provide health care into the 21st century. VA's infrastructure reflected a time when bed-based care was the standard mode for providing health care.

In March 1999, the then General Accounting Office (now Government Accountability Office, GAO) published a report on VA's need to improve capital asset planning and budgeting. GAO cited the fact that VHA's asset challenge was due, for the most part, to four reasons. First, VHA owned 4,700 buildings, over 40 percent of which have operated for more than 50 years, including almost 200 built before 1900. Second, over 1,600 buildings (almost one-third) have historical significance. Third, VHA used fewer than 1,200 buildings (about one-fourth) to deliver health care services to veterans. They further noted that VA had over 5 million square feet of vacant space, which could cost as much as $35 million a year to maintain. Fourth, VHA's health-care buildings have significant unused inpatient capacity. Basically, the report found that VA's asset plan indicated that billions of dollars might be used operating hundreds of unneeded buildings over the next 5 years or more. The report went on to further state that VA did not systematically evaluate veterans' or asset needs on a market (or geographic) basis or compare assets' life-cycle costs and alternatives to identify how veterans' needs could be met at lower costs.

Additionally, GAO estimated that over the next few years, VA could spend one of every four of its health-care dollars operating, maintaining, and improving capital assets at its then 181 major delivery locations including 4,700 buildings and 18,000 acres of land nationwide.

Recommendations stemming from the report included the development of asset-restructuring plans for all markets to guide future investment decision-making, among other initiatives. VA's answer to GAO and Congress was the initiation and development of the Capital Asset Realignment for Enhanced Services (CARES) program.

During the initial stages of the CARES process, the construction budget was nearly flat-lined pending the outcome. This caused a major backup in construction projects and needed seismic repairs. Further, the CARES initiative attempted to address many of VA's hot-button issues to include long-term care, mental health and access to health care for rural veterans. While not initially successful, CARES did lead to the publication of a mental health strategic plan, and a long-term care plan is in the works. VA has also somewhat addressed a major feature in the CARES report -- the rural access issue -- by completing a study and implementing new guidelines.

In May 2004, the CARES decision was released. While it was not really a final decision for many locations, it outlined needed guidance for many VA leaders. The CARES decision also called for additional studies at 18 locations to continue developing and refining the analyses for those locations. VA also estimated a "substantial" amount of money would be needed to start the process and that it would need $1 billion a year for the next five or six years to carry out the hundreds of construction projects that were recommended.

Finally, the Veterans Health Administration (VHA) began to fold CARES into its strategic planning process beginning with the Fiscal Year (FY) 2005 submissions.

Major Medical Facility Projects

Las Vegas

The American Legion has seen firsthand the unbearable situation the veterans in Las Vegas have faced for many years in accessing health care. After the brand-new ambulatory care clinic nearly collapsed on itself due to poor craftsmanship, the building was condemned which forced veterans to get their care in geographically dispersed buildings. There are five primary health clinics all operating under short-term leases.

In many cases, veterans have to ride the shuttle to get from one appointment to the next. If they are late, their appointment gets cancelled. It doesn't matter if it was because the bus or shuttle was stuck in traffic.

Veterans served in Las Vegas have been promised for years that they will get a new facility. It now looks like it won't be until at least 2011. That's a long time. The area is growing and the veteran population along with it. So too is the cost of construction.

As of today, there has been funding for site selection and design, but nothing for actual construction.

Denver

In June 2005, then National Commander Tom Cadmus visited the Denver campus as part of the System Worth Saving (SWS -- an American Legion on-site inspection of VA medical facilities) Task Force site visits. It was reported to him that costs to maintain the 50-year-old facility continue to escalate. The medical center is also operating at well above its designed capacity. VA has conceded through CARES planning that the present Denver facility must be replaced, and it was listed along with Las Vegas and Orlando as priorities for new VA medical centers when the CARES decision was issued.

According to the Denver VA's own critique of its physical condition:

- **Fixed equipment**. Most are past useful life, particularly for radiology and nuclear imaging.
- **Interior finishes**. Most are circa 1986. Areas such as doors, wall bumpers, and carpet need replacement.
- **Fire-alarm system**. These are in poor condition and are being replaced.
- **Air-handling systems**. Most are no better than average condition, some below standard, or are inadequate.
- **Duct work and piping**. Fair to poor condition.
- **Refrigeration**. Most coolers and chillers are in fair to poor condition and have exceeded useful life.
- **Ventilation**. In fair condition, with some areas underserved.

- **Plumbing**. Some 80% of water and drain piping are original to structure and are at the end of their useful life.
- **Boiler plant**. Boilers and peripheral equipment, with some exceptions, are in fair condition, though controls are obsolete and must be replaced.
- **Parking**. "Insufficient for employees."

It has been recognized and acknowledged over the past several years, even before the CARES process, that Denver was in need of a new medical center.

Orlando

Through the CARES process, the Central Florida market was underserved. Less than half of the area veterans are within access standards for hospital care. There is clearly a need to build a new inpatient facility in Orlando.

New Orleans

The American Legion's SWS team visited the New Orleans area in February 2006. Prior to the cataclysmic effects of Hurricane Katrina at the end of August 2005, the New Orleans VA Medical Center (VAMC) provided primary, secondary and tertiary care to over 36,000 veterans throughout southeast Louisiana, the Mississippi Gulf Coast and the Florida Panhandle. The VAMC in New Orleans together with its Baton Rouge clinic together accommodated some 370,000 visits annually. Today, the VAMC no longer exists as a functioning hospital. Its functions having been taken up by VA clinics across the state which have sprouted almost like mushrooms since the hurricane. The top floors of one of the old medical center's buildings, known as "10G" for its building location designator is now being utilized as an outpatient clinic. Another floor is to open shortly, designated "9G" with more to follow. The New Orleans PTSD program was slated to return in March but has, unfortunately, been delayed to this summer.

In February 2006, VA signed an agreement to rebuild with a brand-new hospital in New Orleans in partnership with Louisiana State University. At the signing VA Under Secretary for Health Dr. Jonathan Perlin said, "We will replace an aging, outdated facility built in the 1950s with a state-of-the-art medical center to provide care for veterans well into the 21st century." The American Legion supports the relationships that VA enjoys with the medical school. However, we remain adamant that the VA health care system retains its own identity.

The American Legion supported the CARES process conditionally. The American Legion believes that generally it was a fair and honest effort at attempting to assess the future needs of VA, both through the evaluation of needed infrastructure and services to veterans. We do not want to see the process stalled due to the effect of "paralysis by analysis." VA has thoroughly documented the need for new hospitals or replacement facilities in each of the above-mentioned locations. There are still 17 sites that are awaiting some type of decision by the Secretary regarding facilities and services in local communities. The American Legion urges VA to continue with the CARES process. The veterans who receive care at VA facilities deserve that.

VA has improved by leaps and bounds since 1994. It has been recognized on numerous occasions as a leader in providing safe, high-quality health care to the nation's veterans. In addition to setting the public and private sector benchmark for health-care satisfaction for the sixth consecutive year, VA has also received accolades on patient safety and quality and is considered by many to be a model for health-care delivery in America.

The American Legion has long recognized the necessity for a health-care system that revolves around the special needs of veterans. Veterans serving in Iraq, Afghanistan and all corners of the globe are returning home with severely debilitating injuries and are now faced with new challenges they never considered before. Loss of limb(s), traumatic brain injury, mental conditions, stress reactions, post-traumatic stress disorder, spinal cord injury and blindness are now realities to these young heroes. VA must be there, leading the way, to help heal them and rehabilitate them. VA must be capable of providing the programs and services needed to help all qualified veterans lead the most productive and healthy lives possible. VA must continue to look to the future and assess the needs of this ever-changing population.

Thank you Mr. Chairman, again, for this opportunity to appear before this Committee. We look forward to working with you to help shape the future of VA health-care delivery.