



Statement for the Record of the

NATIONAL COALITION
for **HOMELESS VETERANS**

United States House of Representatives
Committee on Veterans' Affairs,
Subcommittee on Health

**“VA Fee Basis Care: Examining Solutions
to a Flawed System”**

September 14, 2012

**Chairwoman Ann Marie Buerkle, Ranking Member Michael Michaud,
and distinguished members of the House Committee on Veterans' Affairs,
Subcommittee on Health:**

The National Coalition for Homeless Veterans (NCHV) is honored to present this Statement for the Record for the hearing, "VA Fee Basis Care: Examining Solutions to a Flawed System," on Sept. 14, 2012. On behalf of the 2,100 community- and faith-based organizations that NCHV represents, we thank you for your commitment to serving our nation's most vulnerable heroes.

VA's "no wrong door" approach

The Department of Veterans Affairs (VA) strives to make world-class health services available to veterans in communities nationwide. Yet to directly provide equitable care in every locality would stretch VA resources thin beyond recognition. A robust contract-care program, therefore, is needed to supplement VA care, harnessing existing service delivery systems in areas where veterans do not have reasonable access to the department's health facilities.

NCHV recognizes the potential of the VA fee basis care program to fill this role. In fact, the program could be well-situated to help fulfill VA's self-described "no wrong door" approach to ending veteran homelessness, in which veterans who seek assistance can receive it from VA programs, from community partners or through contract services.¹

Unfortunately, this philosophy is at odds with reality. The fee basis program requires that veterans obtain preauthorization for non-VA care at a VA medical facility. In some cases, this means that a veteran must travel hundreds of miles – passing several qualified community providers along the way – in order to apply for fee basis care with no guarantee they will succeed.

For veterans with mental illness, chronic substance abuse and other disabilities, this practice is exclusive rather than inclusive. A daytrip to a distant VA medical facility may be unrealistic even for relatively healthy veterans, especially if they are among the 1.4 million with extreme low incomes.

Financial stewardship issues

Homeless veteran service providers know better than most the impact that limited VA dollars can have on entire communities. In light of the fee basis program's record of financial stewardship, we join those who call for its immediate reform.²

In FY 2011, the fee basis program accounted for an estimated \$500 million in erroneous payments, according to the Veterans Health Administration Chief Business Office. By any measure, this is a tremendous loss of taxpayer dollars. By our measure, this amounts to more than VA's expenditures in FY 2013 on both the HUD-VA Supportive Housing (HUD-VASH) Program – directly responsible for reduction in chronic veteran homelessness – and the Homeless Providers Grant and Per Diem (GPD) Program, which has been the cornerstone of community-based homeless veteran assistance for more than two decades.

An effective reform of the fee basis program should represent a significant departure from existing policies, and must shift the burden of responsibility for authorized care from the veteran to the VA health care system.

Legislative proposals and departmental initiatives

NCHV submitted written testimony to this subcommittee in April 2012 regarding H.R. 3723, Rep. Bobby Schilling's "Enhanced Veteran Healthcare Experience Act of 2011." As originally written, this bill would replace the current fee basis system with a contract-based "veterans enhanced care program." While we recognize that this legislation may not be a cure-all for the fee basis program's deficiencies, we are supportive of an approach to make much-needed health services accessible to veterans who live in areas without a VA presence.

VA does not support H.R. 3723, but it is undertaking new initiatives that seek to expand and improve its contract-based care, among them the Patient-Centered Community Care (PCCC) program. The PCCC program will foster contractual agreements with non-VA providers when VA facilities are not able to provide needed specialty care for veterans.³ It is fair to say that this program has not been given an opportunity to succeed, as it is in the early stages of implementation.

It is our understanding, however, that the program will not cover mental health services, primary care and dialysis.⁴ This may be precisely the support that some veterans need to avoid entering what VA Secretary Eric Shinseki has characterized as "that downward spiral towards joblessness, depression and substance abuse that often leads to homelessness and, sometimes, to suicide."⁵ If we are going to strive for a "no wrong door" approach to ending veteran homelessness, it must apply to health services through the PCCC program as well.

In Summation

Thank you for the opportunity to submit this Statement for the Record for today's hearing. It is a privilege to work with the House Committee on Veterans' Affairs, Subcommittee on Health, to ensure that every veteran in crisis has reasonable access to the health care they earned.

John Driscoll
President and CEO

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¹“VA Secretary Announces \$41.9 Million to Help Homeless,” *U.S. Air Force* (Oct. 5, 2010). Accessed Sept. 10, 2012. <<http://www.af.mil/news/story.asp?id=123225103>>.

²*Veterans Health Administration Fee Care Program: White Paper*. National Academy of Public Administration (September 2011). Accessed Sept. 7, 2012. <http://www.napawash.org/wp-content/uploads/2011/11/White_Paper11012011webposting.pdf>.

³“Patient Centered Community Care (PCCC) Notice” (Nov. 3, 2011). Accessed Sept. 11, 2012. <<https://www.fbo.gov/>>.

⁴“Witness Testimony of Shane Barker, Senior Legislative Associate, Veterans of Foreign Wars,” *U.S. House Committee on Veterans’ Affairs* (April 16, 2012). Accessed Sept. 8, 2012. <<http://veterans.house.gov/witness-testimony/shane-barker-2>>.

⁵“Remarks by Secretary Eric K. Shinseki: 2012 National Coalition for Homeless Veterans (NCHV) Annual Conference,” *Department of Veterans Affairs* (May 30, 2012). Accessed Sept. 10, 2012. <http://www.va.gov/opa/speeches/2012/05_30_2012.asp>.

NCHV Staff Biography
John Driscoll, President and CEO

John Driscoll joined the staff of NCHV in January 2002. He served in the U.S. Army from 1970-1980, including a tour as an air-evac medic and platoon sergeant with the 575th Medical Detachment during the Vietnam War. After returning from Vietnam, he served as the senior clinical specialist on the Surgical Intensive Care Unit of the Walter Reed Army Medical Center in Washington, D.C., from 1973-1980, and remained a certified medevac specialist for both fixed-wing and helicopter aircraft until his discharge from the service.

Driscoll graduated from the University of Maryland with a Bachelor of Arts degree in journalism in 1988, and spent 13 years as a group newspaper editor for the Chesapeake Publishing Corporation. As a journalism student intern in 1987, he wrote a series on homeless veterans living on the streets of the nation's capital which was submitted for Pulitzer Prize consideration in two categories by Chesapeake Publishing.

Significant publishing credits while working with NCHV, in partnership with the Department of Labor-Veterans Employment and Training Service (DOL-VETS), include "Planning for Your Release, A Guide for Incarcerated Veterans," distributed to more than 20,000 employment specialists, transition assistance counselors and incarcerated veterans – this guide was adapted by the Department of Veterans Affairs for its state-specific transition resource guides; "Assistance Guide for Employment Specialists Helping Homeless Veterans," used by DOL-VETS as a training resource for homeless assistance providers; and the "HVRP Best Practices Project," a study of 36 community-based programs cited for exemplary performance in helping formerly homeless veterans prepare for and obtain steady, gainful employment.

Driscoll is responsible for the development of the NCHV website (www.nchv.org) into the most comprehensive homeless veteran assistance on-line resource in the nation, providing information and service referrals to more than 85,000 visitors each month. His work with veteran assistance programs nationwide gave rise to the nation's first Veteran Homelessness Prevention Platform in 2006, a document that has helped steer development of initiatives to reduce the risk of homelessness for veterans of the wars in Afghanistan and Iraq, and their families. Eleven of the 18 recommendations in that document have been signed into law or are in various stages of development.

Driscoll has prepared testimony and has testified before both the U.S. House of Representatives and U.S. Senate on a number of landmark homeless veteran assistance initiatives since 2005. He meets regularly with the leadership of Federal agencies invested in homeless veteran services, and is frequently invited to speak as a subject matter expert on homeless veterans issues and assistance programs at conferences and symposia nationwide.

NCHV Disclosure of Federal Grants

Grantor: U.S. Department of Labor
Subagency: Veterans' Employment and Training Service
Grant/contract amount: \$350,000
Performance period: 8/13/2010 - 8/12/2011
Indirect costs limitations or
CAP limitations: 20% total award
Grant/contract award notice
provided as part of proposal: Yes

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