

STATEMENT OF THE HONORABLE ERIC K. SHINSEKI

**SECRETARY OF VETERANS AFFAIRS
DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
AND
THE HOUSE COMMITTEE ON ARMED SERVICES
U.S. HOUSE OF REPRESENTATIVES**

JULY 25, 2012

Chairman McKeon, Chairman Miller, Ranking Member Smith, Ranking Member Filner, and Members of the Armed Services and Veterans Affairs Committees:

I am honored to be here to testify with Secretary of Defense Leon Panetta. Since July 2011, we have worked closely together on priority issues common to both the Department of Defense (DoD) and the Department of Veterans Affairs (VA), meeting five times over the past ten months to resolve issues and advance priorities that are critical to our Nation's Servicemembers and Veterans. Our most recent meeting in May involved a joint visit to the James A. Lovell Federal Health Care Center (JALFHCC) in North Chicago. We plan to meet again on 10 September. Secretary Panetta's leadership and close partnership on behalf of those who wear and have worn the uniforms of our Nation have been monumental. As a result, we have brought our Departments closer together than ever before.

Because our Servicemembers and Veterans represent the continuity between our Departments, DoD and VA must be collaborative, attentive, and cooperative. Little of what we do in VA originates in VA; much of what we do originates in DoD. This means

that we, in VA, must be aware, agile, and fully capable of caring for those “who have borne the battle” and their families and survivors, long after the guns have fallen silent. Today, we still care for two children of Civil War Veterans, over a hundred spouses and children from the Spanish-American War, about 5,000 from World War I, and the numbers increase with each succeeding generation. The promises of President Abraham Lincoln are being delivered today by President Barack Obama, and a century from now, the same will be true as VA continues to fulfill the promises of Presidents and the obligations of the American People.

Our history suggests that VA’s requirements will continue growing for a decade or more after the operational missions in Iraq and Afghanistan are ended. Over the next five years, there is the potential for one million serving men and women to either leave military service or demobilize from active duty. The newest of our Nation’s Veterans are relying on VA at unprecedented levels. Most recent data indicate that, of the approximately 1.4 million Veterans who returned from deployments to Iraq and Afghanistan, roughly 67 percent are using some VA benefit or service.

As these newest Veterans return, we must provide the care and benefits they have earned and that they will need to successfully transition home, just as we must for Veterans of previous conflicts. We deliver much needed, high quality benefits and services – and we must do this faster and with greater efficiency. The Veterans Benefits Administration is pursuing a transformation plan that integrates people, process, and technology, a set of initiatives to eliminate the claims backlog in 2015.

The standard is to process all claims within 125 days at a 98 percent accuracy rate in 2015. This transformation is driven by a new era, emerging technologies, demographic changes in the Veteran population, and our renewed commitment to do what's right by today's Servicemembers, Veterans, family members, and survivors.

We have placed a priority on improving mental health care for both Veterans and Servicemembers. Our efforts reflect an unprecedented level of collaboration between VA and DoD on mental health issues and care, beginning with our joint Mental Health Summit in 2009. That summit led to the development of a joint Integrated Mental Health Strategy (IMHS), approved by our departments in October 2010, to address growing mental health needs. Twenty-eight joint actions are fully underway to address issues that are common to the two Departments, organized into 4 strategic goals:

- Expanding access to behavioral health care in DoD and VA (e.g., integration of mental health into primary care);
- Ensuring quality and continuity of care across DoD and VA (e.g., coordinated, joint training in evidence-based psychotherapies for PTSD);
- Education and outreach efforts to increase provider skills and overcome the stigma associated with mental health treatment (e.g., military culture training for clinicians and use of innovative web-based and smartphone technologies);
- Promoting resilience and expanding nonclinical services to promote mental health (e.g., expanding the role of chaplains in mental health and joint suicide prevention efforts).

The IMHS employs a coordinated public health model to better serve Active and Reserve Component Servicemembers, Veterans, and families.

VA's Suicide Prevention Program elements have been shared with DoD, and we hold a joint Suicide Prevention Conference annually to review, update, and refocus all elements of our strategy to combat suicide. This collaboration helped us to transition the Veterans Crisis Line, established in 2007 and expanded to include a Veterans' Chat Service in 2009, into a joint program for both VA and DoD. Conducted in partnership with the Substance Abuse and Mental Health Services Administration's (SAMHSA) National Suicide Prevention Lifeline, the program now takes calls from Veterans, Servicemembers, family members, and friends. In 2012, we expanded the program to include a texting service. This program is now referred to as the Military Crisis Line in DoD, and the Veterans' Crisis Line in VA—but it is a joint, collaborative effort run out of Canandaigua, New York. Since 2007, the mental health staff have received over 625,000 calls:

- Initiated over 22,500 rescues;
- Referred over 95,803 Veterans to local Suicide Prevention Coordinators for same day or next day services;
- Answered calls from over 8,000 Active Duty Servicemembers;
- Responded to over 57,000 chats.

The call center is responsible for an average of 300 admissions a month into VA health care facilities and an average of 200 new enrollments a month for VA health care.

Three priority programs, on which both Departments have focused, are: the integrated Electronic Health Record (iEHR); the Integrated Disability Evaluation System (IDES); and ongoing efforts to energize the transition process for Servicemembers as they become Veterans.

Our two Departments have historically had two independent health care systems with two independent healthcare record systems. In the past, Servicemembers had to hand-carry paper copies of their DoD health care records to VA. With the introduction of electronic health records, much of the information can now be transmitted electronically, but the departments still have separate electronic systems. A shared, integrated electronic health record will improve decision support by providing a full and complete view of the patient record. This will reduce redundancy in tests and procedures, thereby reducing costs, will provide access to an expanded community of subject matter experts, and will provide an IT platform that serves potentially as a National model that is highly responsive to future enhancements.

Today, DoD and VA share more electronic health information than any two organizations in the Nation. Over the past three years, DoD and VA have increased the number of Servicemembers and Veterans whose electronic data is shared between the two Departments by 1.1 million. That 1.1 million increase means the increased sharing of:

- 23 million more laboratory results;
- 3.6 million more radiology reports; and
- 24 million more pharmacy records.

This information sharing helps improve the continuity of care for our Servicemembers and Veterans, helps ensure that physicians have the most accurate medical information for a patient, and significantly improves patient safety. For instance, the two Departments now share medication allergy information for 1.2 million patients, up from 27,000 just three years ago. These records are used to care for not only transitioning wounded, ill, and injured, but also for all Servicemembers and Veterans in our two health care systems.

The progress we have made in records sharing has been substantial, but we must do more to ensure a seamless transition. To accomplish that goal, Secretary Panetta and I have committed to developing a single, common, joint electronic health record, known as iEHR. This effort began on January 21, 2009, when then-Secretary Gates and I agreed to develop that vision. Our commitment was reinforced by the President in April of that year in a directive to both Departments to create a Virtual Lifetime Electronic Record (VLER), within which the electronic health record would be a key platform. Last year, after two years of hard work by teams from both Departments, then-Secretary Gates and I met on 5 February, 17 March, 2 May, and 23 June. Thereafter, Secretary Panetta and I met on five additional occasions to provide continuing guidance and energy for the implementation of the iEHR. It will unify the two Departments' electronic health record systems into a common system to ensure that all DoD and VA health

facilities have Servicemembers' and Veterans' health information available throughout their lifetimes.

iEHR will enable the free flow of essential medical information among DoD, VA, and other community care providers who treat Veterans and Servicemembers. Benefits adjudicators, family members, care coordinators, and other caregivers, at the discretion of the Veteran, may also be granted iEHR access. Potentially a national model for capturing, storing, and sharing electronic health information, iEHR is being developed utilizing an Open Source Electronic Health Record Agent (OSEHRA). OSEHRA is a non-profit enterprise that VA established in the fall of 2011, in close collaboration with DoD. It serves as our "open source custodian," a place where companies, individual innovators, and the government come together to develop electronic health record software. So far, over 1,000 people representing 100 companies have signed on to OSEHRA, including former-VA Secretary and former-Army Surgeon General James Peake, who serves as its chairman. Northrop Grumman and other leading health care companies have contributed their code, and one of our existing vendors – Hawaii Resource Group, who designed and built our graphical user interface (GUI) – recently put its proprietary application into our open source custodian to make it available to all our hospitals and clinics. The Palo Alto VA Medical Center has since installed the GUI in one of its clinics, and others will soon follow suit. This augers well for both iEHR's success and for open architecture, standards based, and modular solutions to our most challenging IT problems – at VA, DoD, and across the federal government.

Equally important is our continued commitment to preserving the privacy of our Veterans' and Servicemembers' personal and health record information. We will work jointly with DoD to ensure that iEHR systems are secure and meet the ardent standards by which we evaluate and maintain our information technology and clinical investments.

A critical component of the iEHR is the GUI, which allows all validated system users and health providers to be able to see health records fully. A working GUI was created in May 2011 through collaboration between Tripler Army Medical Center and the co-located Spark M. Matsunaga VA Medical Center in Honolulu, Hawaii. It has since been introduced in the JALFHCC in North Chicago where both Secretary Panetta and I watched demonstrations of it this past May. It is impressive, and it represents a major step forward for the iEHR. We are now decisively committed to a single, common, joint platform for an electronic health record. Secretary Panetta and I have reaffirmed our commitment to a fully operational iEHR, no later than 2017, with clinical capabilities deployed in Hampton Roads and San Antonio in 2014 — a significant challenge, but one that is critical to achieve for our Nation's Veterans and Servicemembers.

iEHR is the major health record component of the larger Presidential initiative known as the Virtual Lifetime Electronic Record (VLER). With appropriate controls to ensure privacy and security, VLER aims to share health, benefits, and administrative information, including personnel records and military history records, among DoD, VA, Social Security Administration, private health care providers, and other Federal, state, and local governmental partners. The Department of Health and Human Services

(HHS) also plays a vital role in creating this essential backbone for health information data exchange: the Nationwide Health Information Network (NwHIN). The NwHIN is a set of standards, services, and policies that enable secure health information exchange over the Internet. The network will provide a foundation for the exchange of health information across diverse entities, within communities and across the country, helping to achieve the goals of the HITECH Act. This critical part of the national health IT agenda will enable health information to follow the consumer, be available for clinical decision making, and support appropriate use of healthcare information beyond direct patient care so as to improve population health. Efforts like NwHIN will help enable clinicians to “pull” records from other sources (CONNECT), allows clinicians and health data providers to “push” data (DIRECT), and empowers patients to access their personal health information (BLUE BUTTON).

Key components of the VLER initiative are providing Veterans access to their benefits information through online tools such as Blue Button and eBenefits. The Blue Button is a joint program between HHS, DoD, and VA that provides Veterans on-demand access to personal health information at the click of a button, delivered in a format that is easy to read and accessible without any special software. It was announced by President Obama in the summer of 2010 and officially launched that October. Today, about 20 months later, just under 1 million Servicemembers, beneficiaries, and Veterans have downloaded electronic copies of their personal health records. Perhaps more importantly, the private sector is embracing Blue Button as “the brand” that means

access to health information. United Health recently joined Aetna in enabling Blue Button on their patient portal. We expect more providers will follow suit.

eBenefits is a VA/DoD initiative that consolidates information regarding benefits and services and includes a suite of online, self-service capabilities for enrollment, application, and utilization of benefits and services. Thanks to DoD leadership, Servicemembers now automatically sign up for eBenefits when they enter service.

eBenefits enrollment now exceeds 1.6 million users, and VA expects enrollment to exceed 2.5 million by the end of 2013. Users can check the status of a claim or appeal, review the history of VA payments, request and download military personnel records, generate letters to verify their eligibility for Veterans' hiring preferences, secure a certificate of eligibility for a VA home loan, view their scheduled VA medical appointments, and complete numerous other benefit actions. As enrollments continue to expand, capabilities available through the eBenefits portal will also continue to grow.

This year, eBenefits enhancements will allow Veterans to file benefits claims online in a "Turbo Claim-like" approach and upload supporting claims information that feeds our paperless claims processing system, the Veterans Benefits Management System (VBMS). In fiscal year 2013, Servicemembers will be able to complete their Servicemembers' Group Life Insurance applications and other transactions through eBenefits.

Since the problems at DoD's Walter Reed Army Medical Center in 2007, VA has supported DoD and the military services in improving DoD's legacy disability evaluation system (DES) and creating a new integrated VA/DoD approach. Under DES, the total number of days a Servicemember could wait from referral through military discharge, followed by receipt of a VA disability rating, to receipt of the first VA disability payment averaged 540 days. In November 2007, VA and DoD launched a new, integrated process to eliminate the duplicative, time consuming, and often confusing elements of two separate disability processes. The goals of the integrated DES process were to: (1) increase transparency for the Servicemember; (2) reduce processing time; (3) improve consistency in ratings of those being medically separated; and (4) reduce the benefits gap between separation from the military and receipt of VA disability compensation. Congress authorized the integrated DES Pilot in the National Defense Authorization Act for Fiscal Year (FY) 2008.

The integrated pilot was launched at three sites in the National Capital Region (NCR): Walter Reed Army Medical Center, Bethesda National Naval Medical Center, and Malcolm Grow Medical Center on Andrews Air Force Base. By April 2010, the integrated DES Pilot had expanded to 27 sites and covered 47 percent of the required outprocessing population. In July 2010, the DoD/VA Senior Oversight Committee (SOC) expanded the integrated DES Pilot to include more departing Servicemembers and the process was formally renamed the Integrated Disability Evaluation System (IDES). This decision was approved by the senior leadership of both Departments.

Full implementation of IDES was completed by September 30, 2011, at 139 IDES operational sites worldwide.

VA and DoD have made considerable progress towards achieving an integrated process. We have improved transparency and consistency of outcomes, while reducing processing times. As of June 30th, we have reduced the processing time under the separate DoD and VA legacy processes from about 540 to 396 days. Our goal is 295 days. VA's portion of this goal is 100 days, and we have been as low as 105 days before responding to surges in military departures. As of June 2012, we are at 145 days.

DoD/VA cooperation on IDES has eliminated many of the sequential and duplicative processes found in the legacy system. Servicemembers no longer undergo two separate examination and rating processes. VA conducts exams and provides a tentative rating for use by both Departments' processes, resulting in more consistent evaluations, faster decisions, and timely benefits delivery for those medically retired or separated. VA is approaching its goal of delivering benefits in the shortest period of time allowed by law following discharge, thus reducing the "benefits gap" that previously existed under legacy DES between Servicemembers' disability separation from DoD and receipt of their first VA disability payment. This lag time used to be 6 to 9 months; it now varies between 31 and 60 days.

At our quarterly meetings, Secretary Panetta and I personally review the status of our efforts, and we remain determined to improve our processing time, while still allowing Servicemembers to exercise leave options and other personal choices throughout the healing process.

Finally, we have devoted considerable effort to improving the transition of all Servicemembers back into civilian life. In August 2011, the President announced a comprehensive plan to address transition issues to ensure that all of America's Servicemembers have the support they need and deserve as they leave the military, look for a job, and join the civilian workforce. A key part of the President's plan was his call for a "career-ready military." Specifically, he directed DoD and VA to work closely with other agencies and the President's economic and domestic policy teams and to lead a task force that would develop a new training and services delivery model to help strengthen the transition of our Servicemembers as they become Veterans.

Congress passed, and the President signed into law, the "VOW to Hire Heroes Act of 2011" (VOW Act) in November 2011, which included steps to improve the existing Transition Assistance Program (TAP) for Servicemembers. Among other things, the VOW Act made participation in several components of TAP mandatory for all Servicemembers.

The redesigned transition program was developed to ensure transition standards for all Servicemembers. Implementing uniform standards will transform the transition process

into a detailed, mandatory, integrated sequence of events that enables Servicemembers to make fully informed career decisions and equips them with tools they will need to be successful. This redesigned program complements many of the transition-related provisions of the VOW Act to offer a tailored curriculum that provides Servicemembers useful, quality instruction, while connecting them with the benefits and resources available to Veterans. The transition program focuses on the “end-game” of Servicemember readiness to move from the military to a civilian profession. In order to meet VOW Act compliance, VA and the Military Services began pilot programs to test portions of the redesigned transition program in July 2012, which included participation by inter-agency partners. The pilot programs are evaluating the curriculum, which we will adjust as necessary, to scale delivery to all transitioning Servicemembers beginning in November, 2012.

In addition, VA and DoD are working closely to remove impediments to credentialing for separating Servicemembers, which will enable Veterans to more easily gain civilian employment.

VA and DoD continue to work together to resolve transition issues while aggressively implementing improvements and expanding existing programs. While we are pleased with the quality of effort and progress to date, we fully understand that our two Departments are responsible to drive these efforts to successful completion, in spite of differing titles of the U.S. Code complicating our abilities to design new business processes. As a result, we are challenged to develop efficient funding mechanisms. As

an example, for the JALFHCC, special legislation was required to establish a joint Treasury fund to enable joint operations. In VA's FY 2013 budget submission, we requested that Congress change the existing statute in a number of areas to better assist our collaborations with DoD, such as to allow for additional flexibility in the transfer and/or receipt of funds between another Federal agency for use in planning, design, and construction of shared medical facilities, as well as similar authorities in leasing space for shared medical facilities.

VA and DoD are committed to our collaborations, and we continue to look for ways to improve our decision-making, achieve greater efficiencies, and accelerate the transition process for Servicemembers and Veterans. Thank you again for your support to our Servicemembers, Veterans, and their families and your interest in the ongoing collaboration and cooperation between our Departments.