

LEGISLATIVE HEARING ON DRAFT LEGISLATION
TO IMPROVE THE AUTHORITY OF THE SEC-
RETARY OF VETERANS AFFAIRS TO HIRE AND
RETAIN PHYSICIANS AND OTHER EMPLOYEES
OF THE DEPARTMENT OF VETERANS AFFAIRS

JOINT HEARING

BEFORE THE
SUBCOMMITTEE ON HEALTH
JOINT WITH
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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CONTENTS

Wednesday, March 16, 2016

	Page
Legislative 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	1
OPENING STATEMENTS	
Honorable Dan Benishek, Chairman, Subcommittee on Health	1
Honorable Brad R. Wenstrup, Chairman, Subcommittee on Economic Opportunity	2
Honorable Julia Brownley, Ranking Member, Subcommittee on Health	3
Honorable Mark Takano, Ranking Member, Subcommittee on Economic Opportunity	3
WITNESSES	
Max Stier, President and Chief Executive Officer, Partnership for Public Service	4
Prepared Statement	28
Roscoe G. Butler, Deputy Director of Health Care, National Veterans Affairs and Rehabilitation Division, The American Legion	6
Prepared Statement	36
Carlos Fuentes, Senior Legislative Associate, Veterans of Foreign Wars of the United States	8
Prepared Statement	42
Carolyn Clancy, M.D., Deputy Under Secretary for Health for Organizational Excellence, Veterans Health Administration, U.S. Department of Veterans Affairs	9
Prepared Statement	44
Accompanied by:	
Elias Hernandez, Chief Office, Workforce Management and Consulting, Veterans Health Administration, U.S. Department of Veterans Affairs	
STATEMENTS FOR THE RECORD	
American Federation of Government Employees	47
National Association of VA Physicians and Dentists	49
Veterans Affairs Physician Assistant Association	52
Nurses Organization of Veterans Affairs	57
Merritt Hawkins	58
Paralyzed Veterans of America	63
Disabled American Veterans	65
Iraq and Afghanistan Veterans of America	68
Reserve Officers Association	69
American Podiatric Medical Association	74

LEGISLATIVE 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

Wednesday, March 16, 2016

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

The Subcommittees met, pursuant to notice, at 2:04 p.m., in Room 334, Cannon House Office Building, Hon. Dan Benishek [Chairman of the Committee] presiding.

Present: Representatives Benishek, Wenstrup, Bilirakis, Zeldin, Roe, Costello, Huelskamp, Coffman, Bost, Abraham, Brownley, Takano, Ruiz, Titus, Kuster, O'Rourke, McNerney.

OPENING STATEMENT CHAIRMAN DAN BENISHEK

Mr. BENISHEK. Good afternoon. The Subcommittee will come to order. Welcome to today's joint Subcommittee on Health and Subcommittee on Economic Opportunity legislative hearing on draft legislation to improve the authority of the secretary of veterans affairs to hire and retaken physicians and other employees of the Department of Veterans Affairs.

Thank you for all joining us here today. As I said before, providing a top-notch health care and benefits that our Nation's veterans deserve is impossible without an equally top-notch workforce. VA's future depends on VA's ability to officially recruit and retain highly qualified and highly motivated professionals at all levels. Unfortunately, hiring remains a serious challenge across the department, a challenge that will only grow as VA's current staff gets older and increasingly eligible for retirement and the private sector and health care and benefits landscape gets increasingly competitive.

The draft bill that we will be discussing this afternoon would simplify and shorten the VA's hiring process, strengthen VA's ability to bring the very best employees onboard, most importantly, ensure a robust workforce is available to serve our veterans for years to come, contains a number of VA legislative proposals that would improve the department's ability to recruit and fairly compensate

key leaders and grant schedule flexibility for critical medical personnel.

It also contains other important provisions that would, among other things, increase training for VA human resources employees, create a centralized recruiting database to assist in identifying interested applicants for vacant positions, eliminate compensation panels that would lengthen the hiring process for incoming physicians, and unnecessarily take existing providers away from direct patient care, and allow certain aspiring VA leaders to participate in an executive management fellowship program to gain valuable private sector experience that could be used to improve the VA's performance.

I am grateful to be here today with Dr. Wenstrup, the Chairman of the Subcommittee on Economic Opportunity, to be working with him and other Members of our two Subcommittees on this very important issue. I thank you all for being here and now yield to Dr. Wenstrup for any opening statement he may have.

OPENING STATEMENT OF BRAD R. WENSTRUP

Mr. WENSTRUP. Well, thank you, Dr. Benishek and good afternoon. And thank you to everyone with us here today.

I look forward to our discussion today, as we have spent several months working on this proposal and listening to key stakeholders and holding a joint roundtable last December to begin the discussion on the language and to ensure we are doing this right.

I know this Committee has focused heavily on accountability and while I think it is of the utmost importance, I think it is important that we also focus on the hiring and retention of high-quality employees within the department so that our veterans receive the best services possible.

Last year, I made a commitment to several of our colleagues to also focus on improving the hiring process at VA, and I am excited about the work that has been done to package some common sense provisions together. I would note that this is still a draft bill. Let me just say that again, this is still a draft bill, and I look forward to the feedback that we will receive today so that we can make necessary changes to make the bill as close to perfect as possible.

I do want to keep my comments short so we can get to our witnesses and their testimonies and questions, but before I yield back to Dr. Benishek, I do want to make a couple of comments about the testimony and views VA provided to us today, which I have to say are somewhat minimal at best, at this time.

I am disappointed the department was unable to provide views or comment on a majority of the provisions that are in this bill. We want your opinion. And I understand that we only gave VA a couple weeks' notice about this hearing, and I know the OMB bureaucratic process is not known to be speedy, but this is not the first time the department has seen this bill or a version of this bill, as a draft was provided to the VA last November in preparation for our roundtable in December. So, I do hope to hear more from VA on these issues because we need your input.

And with that, I yield back.

Mr. BENISHEK. Thank you, Dr. Wenstrup.

I will now yield to Ms. Brownley, Ranking Member of the Subcommittee on Health, for any opening statement she may have.

OPENING STATEMENT OF JULIA BROWNLEY, RANKING MEMBER

Ms. BROWNLEY. Thank you, Mr. Chairman.

And I want to thank you and Chairman Wenstrup for holding this hearing today. I would also like to thank the witnesses here today who have joined us to provide their expert views on the discussion draft we have before us.

This draft legislation is another step forward in revising hiring practices at the Department of Veterans Affairs. As with any legislation, as Mr. Wenstrup said, we should make every attempt to scrutinize the provisions and understand the unintended consequences that may arise from good intentions contained in the bill.

This draft includes my common sense provisions including setting competitive pay levels for medical center and network directors and ensuring that emergency room doctors and staff have the scheduling flexibility needed to provide quality services when they are needed. I support the effort to institute competitive pay for VA medical center directors. The West Los Angeles VA Medical Center, which serves my veterans in my county, in Ventura County, recently hired its first permanent director in more than two years. I believe that making medical center directors' salaries more comparable with market rates would go a long way towards attracting and keeping the most-qualified candidates and filling the leadership vacuum that exists in many of the veteran-integrated service networks.

I appreciate the concerns many of the witnesses have brought to your attention in their submitted testimony. I also have some concerns about the draft bill. In particular, I hope that we can work to come to an agreement, particularly, on Section 9 which modifies the existing veterans hiring preference. I would like to understand the pros and cons of this section better so as we move forward, we are not putting the VA at a disadvantage when competing for executive talent with other agencies in the private sector.

I look forward to hearing from our guests today on their thoughts on improving the system, and, again, I thank both the Chairmans for calling this hearing.

Mr. BENISHEK. Thank you very much.

I will now yield to Mr. Takano, the Ranking Member of the Subcommittee on Economic Opportunity, for any opening statement that he may have. Mr. Takano?

OPENING STATEMENT OF MARK TAKANO

Mr. TAKANO. Thank you to both Chairmen for holding this hearing. Thank you, Chairman Benishek.

Over the past three years, the Veterans' Affairs Committee has worked hard to reform the VA, particularly, as it involves the discovery of health care by the Veterans Health Administration. During this time, we have focused much of our discussion and our disagreements on how easy we should make it for the VA to fire em-

ployees. We have also focused on the important role of VA whistleblowers and how we can best protect them from retaliation.

Today, we have the opportunity to discuss another important element of employment at the VA, a draft bill that seeks to improve VA's ability to attract, hire, and retain the best employees and providers. The draft legislation is a good starting point. I am encouraged by common sense solutions such as granting VA providers to work more or less 80 hours per bi-weekly work period. I want to thank my colleague Dr. Ruiz for introducing this idea. I just thanked you, Dr. Ruiz.

I also support—you had a great idea with this 80 hours per bi-weekly work period—I also strongly support incentivizing more student veterans to pursue graduate medical education programs in mental health fields, and hope we can do more to encourage graduates to work at the VA.

I want to ensure we do not dilute Veterans' Preference or cut out valuable H.R. procedures for the sake of efficiency, but today I plan to listen to the hopefully robust discussion on these sensitive topics.

So, again, I thank the Chairmen for bringing this bill to us to discuss and improve before it is introduced.

Thank you also to the VSOs, the VA, and other representatives who have come to join in this discussion. I look forward to hearing how we can help VA improve its hiring policies.

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

Mr. BENISHEK. Thank you, Mr. Takano.

Joining us on our first and only panel is Max Stier, the President and Chief Executive Officer of the Partnership for Public Service; Mr. Roscoe Butler, the Deputy Director of Health Care for the National Veterans Affairs and Rehabilitation Division of The American Legion; Carlos Fuentes, the Senior Legislative Associate for the Veterans of Foreign Wars of the United States; and Dr. Carolyn Clancy, the Deputy Under Secretary for Health for Organizational Excellence for the Veterans Health Administration of the U.S. Department of Veterans Affairs; accompanied by Elias Hernandez, the Chief Officer for Workforce Management and Consulting.

Thank you all for being here this afternoon. Mr. Stier, we will begin with you. Please proceed with your testimony. You have five minutes.

STATEMENT OF MAX STIER

Mr. STIER. Thank you very much for holding this hearing and for the work you have done here.

The problems you are addressing are problems that face the entire government, but I would say that you are the best Committee on trying to address them, so kudos to you. Also, I wanted to thank you for the great work you have done with your own staff, because they have been exceptional to work with, and that is critical for you, for the legislation, and bluntly, for the country.

This is an incredibly important issue. Three facts that stand out to—one of them is the limited demographic diversity that exists at the VA. In 2015, it was only two-thirds of 1 percent of VA's workforce was under the age of 25. So, think about that, two-thirds of

1 percent, and only 5.35 percent were under the age of 30. So that is one devastating fact. Second, only around a half of 1 percent of new hires since 2012 have been under the Pathways Program, which is the primary way that agencies are supposed to be hiring either student interns or recent college graduates. The third devastating fact is a recent study that showed that ratings of government agencies on the statement, "My agency is unable to recruit the best employees," should VA and its components were at or near the top. That is the backdrop that you are seeing here. It is so important.

I have three areas, where I think you are really doing important work on this bill. One involves the talent itself. A couple of things that are powerful and you have heard in some of the opening statements that you made, supporting market pay for your medical directors, is very important. You are not going to get the talent that you need in that area unless you do that.

We would argue at the Partnership that the pay system, more generally, in the Federal workforce is broken. It was built in 1949. It was about internal equity when you had a clerical workforce. The whole thing should be based on market compensation in a world in which that is the way we have to compete for talent. That may mean some folks are paid more, some folks less, but that is the right way to do it. But you are going in the right direction with that.

Secondly, you improve the Pathways Program, which brings student interns and new college graduates in—in very important ways. That is going to be very important to do. One thing I would add is you have to encourage the VA to actually use the authority—and I will come back to this—the legislation is a starter pistol; it is not at the end of the day. You have given them tools, but I hope you will do oversight to make sure that they use that authority you are providing them.

On data, you can't manage what you don't measure. I think in this bill you are requiring a number of data points to be collected around hiring effectiveness. It will give you real insight into whether VA is doing its job well, and that is critically important.

And then on leadership accountability, the idea of holding the political appointees to the same standards as career leaders is absolutely essential. Across government, you have political appointees, 4,000 of them. Few are in VA, but you still don't have the normal line of sight for the career people that stacks up their performance plans against the objectives of the organization which starts with the leadership. You need clarity about what they are trying to achieve, how they are being held accountable, and then it cascades into the rest of the organization. That is really important.

Three things that I think you could do better with this bill. One, for the passport idea, it seems to me that the re-employment of former employees is extremely important. Right now, the authority allows for only a one grade increase. I would suggest that that is an unnecessary restriction. If someone spends time in the VA or some other agency, which is the other piece of this, they ought to be able to come back if they have developed skills that they can then bring back to the organization more than just one grade up.

Secondly, I am troubled by the expansion of Veterans' Preference to the SES. Veterans' Preference is incredibly important. However, in the context of what the VA is dealing with right now with its SES, it is a troubled place. They can't recruit people right now. This is not the time to make it more difficult. There are other things that could be done that I think would be more powerful and less concerning.

And, third, on the executive management fellowship program, the cap needs to be raised from 30. Right now you have over 7,000, by our account, eligible participants; 30 just doesn't make any real difference. The question has arisen, well, if you got a challenge for getting talent in, do you really want to send your people out? The answer is yes. You want to grow and develop your people. You will retain your talent better if you do it, and, bluntly, we think it should be a two-way program, so you can bring folks from the private sector in and that will also help you get great talent and refresh the workforce, which is so important.

The so last issue is: this is not just about the legislation, as I mentioned; it is about the enablers—your oversight is going to be absolutely essential to ensure that the VA is doing the work that it needs to do and these provisions are funded.

Happy to answers questions. That is as fast as I can talk. Thank you.

Mr. BENISHEK. Good job, Mr. Stier, in talking fast.

Mr. STIER. I should say I am Stier and it is pronounced—

Mr. BENISHEK. Stier.

Mr. STIER [continued]. —you know, if you look at it, it looks like Stier. Anyone who says Stier, ordinarily, you are like, you don't know how to pronounce words, but parents decide pronunciation, so what can I do? So, it is Stier.

Mr. BENISHEK. Yeah. No, no, no, that is fine. Great. Perfect. Thank you very much.

Mr. STIER. Thank you.

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

Mr. BENISHEK. Mr. Butler, I will recognize you now for five minutes.

STATEMENT OF ROSCOE G. BUTLER

Mr. BUTLER. Thank you. For nearly two decades, The American Legion has been expressing concerns about staffing shortages for physicians and medical specialists in the VA. We've seen this because we have been there as part of our ongoing System Worth Saving task force visits that evaluate VA health care in every VISN, from rural to urban, and we have tried to make sure VA is fully staffed to provide high-quality, efficient care to meet the needs of local veterans.

Chairman Benishek, Wenstrup, Ranking Member Brownley, Takano, and distinguished Members of the Subcommittee on Health and Economic Opportunity, on behalf of National Commander Dale Barnett and The American Legion, and the country's largest patriotic wartime service organization for veterans, comprising over two million members and serving every man and

woman who have served, and worn the uniform for this country, we thank you for the opportunity to testify regarding the draft legislation regarding improving the authority for the Secretary of Veterans Affairs to hire and retain physicians and other employees of the department.

As reflected in our written testimony and through the eyes of The American Legion's System Worth Saving Program, which I frequently participate in, we have tracked and reported staffing shortages at every VA health care system across the country. We see the staffing shortages throughout the VA, and we feel it is getting worse, and not improving. The American Legion's System Worth Saving 2014 executive summary found that several VA medical centers continue to struggle to fill critical leadership positions across multiple departments.

These gaps have caused communication breakdowns between medical center leadership and staff that works within these departments; therefore, for the reason outlined in our written testimony, The American Legion fully supports Sections 2, 3, 4, 5, 8, 9, 11, 14, and 15 of the draft legislation to improve hiring practices at the Department of Veterans Affairs.

However, Section 7 gives us great concerns. As it currently stands, VA has over half of their critical leadership positions either unfilled or filled by individuals on an interim basis. Sending a portion of the workforce out of VA every year would only exacerbate this situation. If VA can afford to lose those personnel for even a year, then we believe the VA may not need those positions to be filled.

The American Legion would rather see the VA fill the positions and ensure there is a full workforce available to treat the needs of veterans, therefore, for this reason, The American Legion opposes Section 7, which would create within VA, an executive management fellowship program.

There are plenty of other sections of this legislation that offers improvements to VA health care. Section 3 offers a fix to a problem The American Legion has long sought a solution to, adjusting Federal work guidelines to fix the unusual hours necessary to staff emergency rooms.

Other sections address fixes to how VA determines market values to stay competitive for health care and hiring, how VA evaluates which portions are needed, and attempt to further refine the accountability process for VA employees. Any of these measures should contribute immeasurably toward improving VA and these are measures that should move forward with the passage of this legislation.

Again, on behalf of our national commander, Dale Barnett, and the millions of dedicated veterans that comprise the Nation's largest veterans' service organization, we thank you for having the opportunity to speak today. I would be happy to answer any of the Committee's questions, and, again, thank you.

Mr. BENISHEK. Thank you very much, Mr. Butler.

[THE PREPARED STATEMENT OF ROSCOE G. BUTLER APPEARS IN THE APPENDIX]

Mr. BENISHEK. Mr. Fuentes, you are now recognized for five minutes.

STATEMENT OF CARLOS FUENTES

Mr. FUENTES. On behalf of the men and women of the VFW and our auxiliaries, I would like to thank you for the opportunity to present our views on ways VA can improve retirement—I'm sorry—recruitment, retention of high-quality health care professionals and other employees.

The VFW thanks you for recognizing that VA's ability to hire and retain high-quality employees is equally as important as its ability to fire and demote employees who put veterans at risk. The VFW agrees with many of the ideas included in the draft legislation being discussed today, however, we would like to share an idea that we hope the Subcommittees will consider.

During our site visits of VA medical facilities, the VFW has noticed one constant struggle: 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 from providers and facility leadership say that the lack of administrative support limits their ability to deliver health care to veterans. This issue must be addressed, authorizing VA to quickly fill high-turnover positions at VA medical facilities.

Similar to VA medical facilities, the VA Canteen Service relies on entry-level employees to operate and maintain its services; however, the Canteen Service is exempt from certain Title V competitive service requirements to ensure high turnover does not impact its ability to operate retail stores, cafes, and other quality-of-life programs in VA medical facilities around the country. The VFW urges Congress to consider extending these authorities to VHA to quickly fill high-turnover vacancies.

The VFW supports most sections of the discussion draft being considered today, which takes a multifaceted approach towards expanding VA's authorities to hire and retain high-quality employees.

In the interest of time, I would like to comment on two sections we believe can be improved. The VFW opposes Section 4, which would expand VA's Yellow Ribbon Program to require VA to help veterans cover the costs of advanced degrees in mental health. The VFW supports efforts to provide additional assistance for veterans who choose to advance their careers and assist their fellow veterans by obtaining advanced degrees in mental health; however, we do not believe that amending the Yellow Ribbon Program is the best option to do so.

The Yellow Ribbon Program was established to supplement the Post-9/11 G.I. Bill by authorizing VA to enter into agreements with educational institutions to cover up to 50 percent of the gap between the costs of tuition and fees associated with degree programs and the statutory caps.

The VFW is concerned that this legislation fails to ensure veterans have enough Post-9/11 G.I. Bill eligibility to complete their advanced degrees in mental health. For example, veterans who use their Post-9/11 G.I. Bill to obtain a bachelor's degree and would like to participate in this program, are unlikely to have enough eligibility remaining to complete an advanced degree in mental

health. The VFW is a strong proponent of public-private partnerships, but believes that the program would be better suited under VA's Health Professionals Education Assistance Program.

Section 9 would require VA to comply with certain Title V competitive service requirements when hiring SES employees. While the VFW supports applying Veterans' Preference when hiring VA SES employees, we feel that Congress must streamline, not impede, VA's ability to hire qualified executives. That is why we recommend that the Subcommittees exempt VA SES employment process from Title V competitive service requirements.

To ensure VA hires qualified veteran senior executives, Congress should require VA to properly consider veterans when considering SES employees, regardless of which authority or hiring authority they use.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions you may have.

Mr. BENISHEK. Thank you, Mr. Fuentes.

[THE PREPARED STATEMENT OF CARLOS FUENTES APPEARS IN THE APPENDIX]

Mr. BENISHEK. Dr. Clancy, you may proceed with your testimony.

STATEMENT OF CAROLYN CLANCY, M.D.

Dr. CLANCY. Good afternoon, Chairman Benishek, Chairman Wenstrup, Ranking Member Brownley, Ranking Member Takano, and Members of the Committee. Thank you for inviting us here today to present our views on the draft bill to improve the authority of the secretary of veterans affairs to hire and retain physicians and other employees.

Joining me today is Elias Hernandez, the Chief Officer for Workforce Management and Consulting; Tia Butler, who is sitting behind me, the Executive Director of the Corporate Senior Executive Management Office; and Kimberly McLeod, Associate Chief Counsel.

First, we want to thank the Subcommittees for including three of our legislative proposals in the draft legislation. These will give us the necessary resources to meet the department's obligation to meet—to provide timely quality health care and benefits to our veterans. We are happy to support several sections of the proposed bill, including Section 2, which matches a proposal put forward last year in VA's 2017 budget submission.

VA believes that there are primary factors that warrant a separate compensation system for medical center directors and VISN or network directors, which are detailed in the written testimony. VA requests, however, that the section stating that medical center director and network directors be a qualified doctor of any kind, be removed from the bill.

It is already difficult to recruit for these positions and this additional restriction would make it nearly impossible for recruit in some areas; moreover, running a hospital is an inherently complex skill set requiring a diverse background, including skills needed to manage from multimillion-dollar budget facility and staffing operations and so forth. Physicians may or may not have these skills and there are other graduate programs that do give people this

kind of training; in fact, we have a fellowship program for people who graduate from master's of health administration programs.

Section 3 of the proposed bill would allow VA to arrange flexible physician and physician assistant work schedules to allow for the hiring and full implementation of a hospitalist physician system and to accommodate the unusual work schedule requirements for emergency medicine physicians—thank you, Dr. Ruiz—VA supports this increased flexibility for critical medical personnel.

Hospitalists and emergency medicine physicians specialize in the care of patients in the hospital, often working irregular work schedules to accommodate the need for efficient hospital care. And we believe that increased scheduling flexibility would align our practices with the private sectors, which would facilitate the recruitment and retention of emergency physicians as well as the operation of the hospitalist physician system at all VA medical centers.

Section 4 of the bill would amend Title 38 to prohibit the use of transferred entitlement under the public-private contributions. VA supports legislation that would provide training and employment opportunities for veterans, however, the department has some concerns with this section of the bill. VA is not certain a change in the way VA and institutions of higher learning share contributions for specific degrees and programs would be beneficial.

Under its current structure, the Yellow Ribbon Program is a remarkably successful program with nearly 2,000 participating institutions. For VA to support this bill, each of the professions listed that has educational and licensure requirements would need to have a corresponding provision that would state that the program meets the educational requirements defined by VA's qualification standards.

As for the report required in Section 5, we defer to the Office of Inspector General on how they would process this report.

VA supports Section 6, which would eliminate the compensation panel recommendation process. This section is also similar to another proposal put forward in February 2016 in VA's 2017 budget submission. The compensation panel process is time-consuming and adds little value as medical center directors and other approving officials already have the final authority to approve the rate of pay. This process also contributes to a delay in hiring, which is probably our greatest concern. It would be more cost-effective and efficient to allow a selecting official and to recommend the appropriate salary for prospective employees and eliminate this compensation panel process.

We very much look forward to working with the Committees and our agency partners to finalize language on these provisions. The remaining sections will be discussed in a follow-up views letter that is currently being drafted and we will forward these remaining views and costs to you expeditiously.

Thank you, Mr. Chairman for this opportunity to present our views on this draft bill, and my colleagues and I are happy to respond to any questions that you or other Members might have.

Mr. BENISHEK. Thank you, Dr. Clancy. I really appreciate your answers there.

[THE PREPARED STATEMENT OF CAROLYN CLANCY, M.D. APPEARS IN THE APPENDIX]

Mr. BENISHEK. I yield myself five minutes for questions. And, frankly, I was kind of excited to have this hearing because it is a lot of important issues. I think the roundtable really got us a lot of input and this is basically the next step.

Dr. Clancy, I agree with you that this compensation panel doesn't make a lot of sense to me because, a physician who is about to be hired is going to surely shop around to see what other people are offering and that doesn't make sense—but what I would like to know is, what else can we do besides this, to speed up the process? I have heard that it takes up to a year to hire somebody, physicians in particular, at the VA, so besides a central database for finding people looking for work and this process here, what other processes could we do? And maybe Mr. Stier would like to comment on that, too.

So, let's start with Mr. Stier, and I will give you an opportunity, too, Dr. Clancy. Mr. Stier, what else should we be doing to make this process quicker?

Mr. STIER. Well, part of it, which you already have in the bill, is that it is going to be really important to have good information. My bet is that there is a high degree of variability across the system as to who is hiring fast and who is not, and what the experience is like for the potential applicants to the positions.

And so, collecting information about who is actually doing hiring well and making data available across the whole network of VA facilities, I think will help you identify the best practices that ought to be adopted more generally.

What you are doing here, I think is very important, but I really do believe it is just the starter's pistol and at the end of the day, ensuring that these authorities are used effectively, that the execution of the tasks that you are trying to facilitate happen effectively, is most important.

Mr. BENISHEK. To be measured as they go.

Mr. STIER. Correct. They need to be measured and they need to identify, again, where certain components are doing it well so that they become the model for best practices across the whole organization.

I am confident that if you explored, you used a year figure, you would find organizations within the VA system that are actually doing it really, really well, best-in-class. The question is, what are they doing and why isn't everyone else doing it, and how do you get them to do that?

Mr. BENISHEK. Dr. Clancy, let me ask you in follow-up of what Mr. Stier was saying, do people who are interviewed for positions, are they given an opportunity to comment on the process? Do you collect that data at all?

Dr. CLANCY. We collect exit-interview data when people leave. I am not sure about the front-end.

Mr. BENISHEK. But when hiring, do you interview the people that you are hiring to comment on the process—

Dr. CLANCY. Mr. Hernandez?

Mr. BENISHEK [continued]. —perhaps in an anonymous way, so that they can give comments on the process?

Mr. HERNANDEZ. Yes, Mr. Chairman, we do collect information in terms of the interview process, however, that information is obviously not released to anyone, other than the hiring official.

But what I would like to say is, I fully agree with everything that has been said here today, and I would like to share some information regarding, you know, some of the improvements we have made in the hiring process, in particular, for the positions of nurses. And this bill that is being introduced is also going to help us do even better in the hiring process.

We do track the hiring process in terms of the speed of hire, and we have a measure in the organization where all the hiring actions must occur within 60 days. Eighty percent of those actions must occur within 60 days.

The recent data that we collected, you know, in fiscal year 2015, and so far this year—

Mr. BENISHEK. I guess I don't understand though, it is 60 days? You are saying the hiring process is 60 days? That is contrary to most of the information that I have ever heard. Most of the time, people tell me it takes months.

Mr. HERNANDEZ. Yes, Mr. Chairman, that is what I—you know, if I may, that is what I am trying to convey, that we still have issues, and I will tell you what those issues are shortly.

So we collect the data and we measure the hiring process and the different stages of the process, and right now, we are about 78 percent of all the hires that have taken place in fiscal year 2015 have been met within 60 days; however, that measure only measures from the beginning of the process to a tentative job offer, okay.

What happens after the tentative job offer is the information that we are really keying in, as an example, the physicians, we can give them a tentative job offer based on the data that we collected within 96 days; however, it takes an additional 32 days to bring them onboard.

So there are a lot of factors associated with that in terms of, you know, the scope of practice, them being able to kind of close their scope of practice in the previous organization going into the new organization, and also the credentialing process, which, by the way, VHA has made major improvements to that area where we are right now averaging about 35 days for some of those credentialing processes, which is a whole lot better than what it is in the private sector of 45 days.

The challenges that we have—

Mr. BENISHEK. I guess that sounds like really great numbers, but that is just not the way it is from what I have been talking to people, okay. I talk to people and that is just not the numbers that you submit here; 60 days and 90 days is not it.

But I am out of time and I am going to yield to Dr. Wenstrup.

Mr. WENSTRUP. Thank you, Mr. Chairman.

Mr. Butler, the American Legion's written statement mentioned some of the challenges the VA faces attempting to recruit and retain medical staff in rural areas, and I know that is difficult in parts of my district as well.

But do you believe that this bill that we are considering could improve the recruitment and retention in rural areas? And if it is

not able to, what would you suggest maybe that we add to the bill to try and improve that?

Mr. BUTLER. Well, I think there are good components, excellent components within the bill that will enhance VA's existing hiring authority and give facility leadership the ability to hire employees more quickly.

I was out on a recent visit in Reno, Nevada and, in response to the Chairman's question, what I heard, there are certain hard-to-fill positions, audiologists, and it is taking years to fill those positions, not necessarily because—well, because they don't have the locations and the disciplines, the teaching facilities, they don't have the source where people are interested in coming to like Nevada for those positions, and then they are competing with private industry.

So I think that you have to build a program that is on the same level that the private industry program is, and it has the same or similar metrics, so that it is more attractive to outside providers when they are considering the VA. If they look at the outside community hospital versus the VA, it is much easier for them, higher pay and other things that drive them, that they will choose the community hospital over the VA.

And I think from what we are seeing, that it takes a special breed of doctor to work for the VA. They really have to be committed, and have to care, have that mentality of caring for veterans and not all doctors, I would say, have that same mentality. Some people's drivers is the money that they would make, but I think the doctors that really choose to work for the VA choose it for different reasons other than money.

And so I think that you have to take all of those factors into consideration and then build a program that is much more competitive with the private community.

Mr. WENSTRUP. Thank you.

Dr. Clancy, on that same vein, are there barriers that Congress could break down to make it easier in the rural communities for recruitment and retention?

Dr. CLANCY. So I appreciate my colleague's comments very much from the American Legion. I will say, I think all of U.S. health care is struggling with how do you get people to come to rural areas. In fact, I saw something recently, I didn't see the backup detail, you know, that claimed that physicians with higher educated specialties were harder to recruit to rural areas.

If there is one area where our system would have a bit of a barrier and I am at a loss for how you all could help, although I would be happy to be surprised, a private sector hospital could actually be helping for the spouse to get a position, other opportunities and so forth, and that we are hiring for that one position, right? So that is about the only thing I can think that would be helpful.

It is very clear to us that expanding our footprint in telehealth and other kinds of virtual care is going to be hugely important to our efforts in rural areas, but happy to work with you on other ideas.

Mr. WENSTRUP. Well, one thought that I have in that vein is, you know, you are talking about small communities are having the same problem, same problem that VA is having. I mean, if both en-

tities are looking for one type of specialist, there should be ways to start thinking about collaborating—

Dr. CLANCY. I think that is a great idea.

Mr. WENSTRUP. —to bring a specialty to the area.

With that, I yield back.

Mr. BENISHEK. Ms. Brownley, you are recognized.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I think just following up a little bit on this line of questioning, I just had a general question and would appreciate a short answer, if it is possible. But if we get to the consolidation of non-VA care and that program, how would that affect really the number of employees needed for veterans' health care within the VA, if that makes sense?

Dr. CLANCY. It makes perfect sense. I am very optimistic that we will indeed, with your help, get to consolidation of all paths to community care. And I think the answer to your question is going to depend on the part of the country that you are talking about, and the issue is going to be less about numbers of VA physicians, and more about the distribution by specialty. But I don't believe that we have got a very clear-cut analysis, but we would be happy to get back to you with more information.

Ms. BROWNLEY. Do you intend on doing some kind of analysis? Because I think it would be helpful in terms of what we are looking at here, I think it would also be helpful in terms of moving forward, in terms of good selling points, if you will, towards consolidation of these programs, which I think is important.

Dr. CLANCY. I don't know actually if it is on the list yet, but it is now.

Ms. BROWNLEY. Okay.

Dr. CLANCY. And obviously making that consolidation and integration happen is going to be key, but I am happy to take that back.

Ms. BROWNLEY. Okay. You know, we have just kind of gone through really, as I mentioned in my opening remarks, a two-year space of time where we haven't had a permanent director of the West L.A. Medical Center. We finally do now, we are very happy that we do—

Dr. CLANCY. We are too.

Ms. BROWNLEY [continued]. —but it is—has been a long road.

And so I just wanted you to comment a little bit on succession plans and how they are being conducted at the VA, and are they being conducted, you know, across services and across the country?

Dr. CLANCY. It is a standing practice that our facilities and our networks actually have a regular cycle of succession planning. As Mr. Stier alluded to earlier, I am quite confident that there is some variability. I haven't taken a very close eye on all of those, but that has long been a standard practice for all of our facilities.

Ms. BROWNLEY. You are sure that it is a standard practice across the country—

Dr. CLANCY. Yes.

Ms. BROWNLEY [continued]. —across centers?

Dr. CLANCY. No, the extent to which the crisis and many of our vacancies have, you know, cut that off or interrupted it in the re-

cent past year or two, I don't know, but I would be happy to have someone take a look at that and get back to you.

But I will tell you, people take this very, very seriously.

Ms. BROWNLEY. Thank you very much.

And in terms of Mr. Stier's opening comments too, with regards to demographics within the VA population, I mean, what are the challenges that you are facing in attracting particularly younger employees?

Dr. CLANCY. Well, understand that except for truly exceptional people attracting doctors is going to be getting to the upper ends by the time you finish training of the category that Mr. Stier was referring to.

My understanding is that over recent years there has been a little bit of a downturn in interest among younger people in working for Government writ large. Whether that affects VA more than other departments I don't have good information about.

I will say our Assistant Secretary for HR&A is constantly talking about the Pathways initiative and some parts of the department use that quite a bit. We can certainly take it back to see if the Veterans Health System might be using it more vigorously.

Ms. BROWNLEY. I mean, are we tracking that information—

Dr. CLANCY. Oh, yes.

Ms. BROWNLEY [continued]. —so we understand where the problems and challenges are?

Dr. CLANCY. Yes.

Ms. BROWNLEY. In terms of this proposed legislation, do you have a timeframe when we might hear written views on the sections that aren't included in the testimony today?

Dr. CLANCY. I can assure you that literally people are working on this right now and we will get it to you as quickly as we can.

Ms. BROWNLEY. Okay. And last and finally on the area on Section 9, that again I understand that you weren't able to provide your views on Section 9 today, which would expand the eligibility for Veterans' Preference in the Federal hiring process to both National Guards and Reservists who serve 180 cumulative days on active duty as opposed to 180 consecutive days, and I think as a Federal agency, VA would clearly benefit from hiring more Guards and Reservists. Is there a concern that expanding eligibility would dilute the Veterans' Preference to the point of requiring veterans to compete against each other for Federal jobs?

Dr. CLANCY. I am going to ask my colleague Mr. Butler if he has more information on that.

Ms. BROWNLEY. No, it looks like I have run out of time, so—

Dr. CLANCY. We will follow-up.

Ms. BROWNLEY. Okay.

Dr. CLANCY. Can we take that for the record?

Ms. BROWNLEY. Thank you.

I yield back.

Mr. BENISHEK. Mr. Takano, you are recognized.

Mr. TAKANO. Yeah, that is a question on which I am interested in hearing the VA's answer. So I will take that question up, Ms. Brownley.

Go ahead.

Dr. CLANCY. All right. Elias, do you want to take that?

Mr. HERNANDEZ. My humble opinion in that particular section is that, you know, our organization strive for hiring veterans. You know, we have hiring initiatives in our organization to hire more veterans. It is something that we probably have to kind of look at it a little bit more closely in terms of the impact. Like I say, my personal opinion is that, you know, the more veterans that are eligible for our jobs, the greater the opportunities for our organization to be able to hire them.

Mr. TAKANO. Well, I will just give you this input. I represent an Air Reserve base where we have both Reservists and Guardsmen, and it is always difficult for them to find a flexible-enough employer who will enable them to do their reservist duties.

And so I appreciate that you are going to review the impact it would have on the VA and whether or not it would be good or bad, but I understand the VFW has some concerns about this. And, Mr. Fuentes, would you care to comment on what your concerns are about this provision?

Mr. FUENTES. And just to clarify our position, we support the change from cumulative—the change for Guard and Reserve—we support that section.

Mr. TAKANO. Oh, good.

Mr. FUENTES. What we have concerns with is the change that would require VA to comply with certain Title V competitive service legislation or law.

Mr. TAKANO. Okay.

Mr. FUENTES. And that was done because the intent of the legislation, my understanding is, so that Veterans' Preference is opened up to retired veterans, retirees—most are retirees. So these are the folks, the officers who served 20 years, who would make great executives, who aren't extended Veterans' Preference at the moment.

But it is not that we believe that they shouldn't have Veterans' Preference, it is that we feel that by trying to do something good, I think you are actually impeding VA's ability to hire more expeditiously because you are now requiring them to comply with Title V restrictions.

I don't know if that makes sense.

Mr. TAKANO. I do not quite understand. We will explore this a little further, but I am glad to hear that you have clarified the 180-day consecutive service. So you are not opposing that, you are saying that you don't have an objection to that?

Mr. FUENTES. Not at all. Our written testimony goes into how we believe that with our all-volunteer military and the way we have been fighting in the last two wars in Iraq and Afghanistan, it makes sense that we make this change, that we support this change.

Mr. TAKANO. Our Reservists and members of the Guard I think would feel that this would treat them with respect that we also give them a hiring preference.

Mr. FUENTES. Congressman, if I may, I am a Reservist, former Reservist and Afghanistan veteran, so I completely understand how this would impact my fellow veterans.

Mr. TAKANO. It would have a great impact, I think, on our ability to help our Guardsmen find employment that works.

On the retiree issue, please help me understand this a little better. Because I thought that maybe your objection might be that we have people who haven't reached the 20-year retiree level. I mean, I am thinking that military retirees may be in a better place than our veterans with shorter service, that being younger, it puts them at a disadvantage.

Mr. FUENTES. We completely agree, I think that military retirees and officers who have served 20 years or more make excellent candidates for executives at VA. I think it is the vehicle that is utilized to make that happen that we have concerns about.

Mr. TAKANO. All right. Let's try to talk a little bit more about that offline to understand. It seems a little more subtle. So I didn't hear the Title V complications. But I am glad to hear about your support of the 180-day non-consecutive.

But just to be clear, the 180-days cumulative versus consecutive you are in favor of or you support?

Mr. FUENTES. Yes, we support that aspect of the section. The section has a number of provisions and that one is one that we support.

Mr. TAKANO. Okay. Well, great. Thank you for your testimony.

Mr. BENISHEK. Dr. Roe, you are recognized.

Mr. ROE. Thank you, Dr. Benishek. And thank you, all panelists, for being here today. It has been a good discussion, I think, and one that needs to be had.

First of all, I want to just say for the record that, to me, a veteran is a veteran. If I didn't know if you served in the Reserves, could care less, or the Guard. I was active duty; to me, it doesn't matter, you served. But I tell everybody, the military ain't Club Med. They send you where they send you and where they need you. So whether it is 180 consecutive days, 14 days in the summer and you never get deployed, you put yourself out there to be deployed if you need to be and, to me, that is service.

So I wanted to get that on the record and want you to know that I am going to support that type of legislation or whatever going forward. I feel like you are a brother just like I am.

Now, a couple things, I guess, Dr. Clancy, that we were looking at. I am concerned about the VA's request to remove the VISN or Medical Center directors to be doctors or I would say other medical providers on the ground. It is already difficult to recruit for these positions and this additional restriction will make it nearly impossible in some areas.

And then, what data do you have to back up the assertion that you think that medical expertise is unnecessary when recruiting a professional to lead a hospital or a group of hospitals?

Let me give you an example. I don't have an MBA from Harvard in business, but I have an MBA from paying bills for 30 years and running a practice, and managing people and helping manage a very large organization. So when you look at that, you are just like in the Reservists and Guard, they had that military experience, but they also have a civilian experience. It is very valuable when they go in the military. They may be accountants, they may be mechanics, they may be managers of a Walmart, whatever. They bring those skills with them and those are valuable leadership skills.

And it is just like I don't have a Master's in public health somewhere, but I have decades of real world experience that would be valuable in running a hospital, because I can promise you, I know exactly how an OR works, I know exactly how a medical floor works, I know exactly how the laundry works and especially when it doesn't work, and especially when you don't get your instruments sterilized and so on, that a person that has never walked in those shoes wouldn't know.

So how many of our directors at the VISN or otherwise are Medical Center directors are medically trained people? Nurse, nurse practitioner, doctor, pharmacist, whatever.

Dr. CLANCY. I would have to take that for the record. And I take your comment very, very seriously. Some of our best Medical Center and network directors have been physicians, some of them are now.

Mr. ROE. Yeah, and it doesn't mean you wouldn't be.

Dr. CLANCY. My only point was, just as you have an MBA in paying bills, I am going to guess that you had colleagues who probably failed that course or who struggled much more to run the business that running a practice requires.

My only point was that there is expertise in other areas that is quite important.

Mr. ROE. No question. I totally agree with you there. It is not because you do practice doesn't mean you ran one and I think that is exactly right. But I think you should look.

I do think that those providers have a different set of lenses that they look through and the reason they do, I think, is they will always look through it, as you will, Dr. Clancy, through the eyes of how everything I do affects a patient and the care they get every day. Does it make it better and easier for the people that's providing the care, if you have been down there actually doing it yourself and you do understand it. So I would leave it with that.

I wonder if the staffing and the other question I have is, do you know what the demographics are of the 340-something-thousand slots that you have or the employees you have at the VA, what their ages are? Because if you are like a lot of them, I know Eastman Chemicals, a large company in my district, I think in the next five years 25 percent of their labor force can retire and they don't know what they are going to do. I mean, they are trying to train—people are now working longer, thank goodness they are. And one of the reasons I think that there is not a very, as you pointed out just a minute ago, the very young, Mr. Stier, is that it does take us a while to get them trained up. You know, I tried as fast as I could to learn it, but it is just a lot to learn and it takes you a lot of years to do it, and I think that is one of the thing.

And the other thing I think is, I wonder if this is generational. You see people, younger people tend to turn what they are doing over a lot more frequently than people in my generation who got a job at the plant, worked there for 40 years and retired. I wonder if it is that also. It is a challenge for everybody, not just the VA, is my point.

Dr. CLANCY. I will simply say, we would be happy to give you specific numbers on what the age breakdown is. The issue of how many people are retirement-eligible is something that we watch a

lot. As you say, many people for a variety of reasons have deferred that decision or in contrast to previous years, but it is something we keep a close eye on, and I am going to guess Mr. Stier and his colleagues do as well.

Mr. ROE. Yeah, we know that 10,000 people turned 65 today.

Dr. CLANCY. Yes.

Mr. ROE. I mean, that is just a fact.

Mr. STIER. I mean, there is no question that the retirement issue is a very prominent one, and I think it is really important to look at the mission-critical pieces at VA and not just the whole thing. But in general, VA struggles not just with the medical directors, but in bringing in young people. It is not the medical directors or the doctors themselves, VA is not hiring young people in any real number.

Some of that has to do, again, just on the Pathways side, that VA is not doing what any other professional organization does, and this is true across government, of taking people in as student interns, seeing if they actually work out, and then converting them to full-time employees if they do well. That is not a model that is used in government more generally or at VA in particular, and it is a big mistake, because you can look at time to hire, which is the question we were discussing, but you really want to look at quality of hire, you want to look at the assessment, and there is no substitute for having an opportunity to work with somebody.

So, again, government and VA in particular are not doing the most basic thing of seeing student interns as the primary hiring entry point, and that is something that could be done. You are going to improve the situation with a bill, but fundamentally that is going to be a management exercise on the part of the VA.

Mr. ROE. I am sorry, I didn't mean to go over. But I agree with you a hundred percent that four of the seven members of my staff here in Washington, D.C. came in basically as interns, entry-level jobs, and they are great.

Mr. STIER. And you hired the ones that made sense.

Mr. BENISHEK. Thanks, Dr. Roe.

Mr. O'Rourke, you are recognized.

Mr. O'ROURKE. Thank you, Mr. Chairman. I want to thank you and Chairman Wenstrup for your work and the work of other Committee Members on this draft legislation, and the work of your staffs and the minority staff as well. This is, I think, one of the most critical issues for us to be working on, and I appreciate the feedback from the VSOs and Mr. Stier and the VA on this. Whatever imperfections or improvements that can be made, let's get to them as quickly as possible. And I hope that the VA, and it sounds like from some of your comments, Dr. Clancy, you are, I hope the VA will run with the spirit of this and whatever you can do administratively now, do it. You don't need to wait for legislation from Congress to do so.

Last summer we learned that there were 41,500 medical positions authorized, appropriated for, but unfilled at the VA. What is that number today?

Mr. HERNANDEZ. Congressman O'Rourke, we do have a number of requirements, they have been initiated in WebHR. We don't have a precise number of vacancies, due to the fact that we don't have

a position management system in the organization, but the number is currently 43,000 positions, and out of those, 37,176 are actually on the active recruitment phase.

Mr. O'ROURKE. Okay. So I will just take from your answer, if we were at 41,500, we are now at 43. Okay.

So we are having a really hard time not even treading water, but just not sinking all together.

How many of those 43,000 are behavioral or mental health positions?

Mr. HERNANDEZ. I have the numbers here, let me just find it real quickly. There are 3,497 physicians, close to 9,000 nurses. I have some specific numbers related to mental health, you know, there are psychiatric, there are about 3200 of those positions—well, let me rephrase that back. There are 3216 on board psychiatric, there are 275 actions in the WebHR system being recruited.

Mr. O'ROURKE. How many psychiatrists are you short?

Mr. HERNANDEZ. I don't have that specific data in front of me, Congressman O'Rourke.

Mr. O'ROURKE. So this is a request I have made of the Secretary already, and I will make it again through you, Dr. Clancy. I know the Secretary has a 12-point program to turn around the VA, I will again submit it should be a 13-point program and point number one should be reduce veteran suicide. If we do that, we are going to make decisions, including hiring decisions and decisions on where we prioritize accordingly. And we will know how many psychiatrists and psychologists and social workers short we are, and I think we will make some decisions about how we prioritize their hiring.

I shared with you, Dr. Clancy, that we are at 89 FTEs, full-time equivalents, in El Paso for mental health today with 116 authorized and appropriated for, and we are at a two or three-year low for mental health providers. And we know that care delayed becomes care denied and results in some tragic outcomes, including veteran suicide. So I want to use this forum again to ask that we prioritize that.

Within this bill, I am encouraged to see provisions for market pay. My only concern related to that is that perhaps in El Paso, which is not a rural area, but an under-served area, and then you have rural under-served areas, we may need to go far above market pay to get the number of psychiatrists, psychologists, behavioral health providers that we need. And so that would be a change that I would ask for. Pay whatever it costs to get the appropriate person. Understanding that American medicine generally is having a hard time producing psychiatrists and psychologists and mental health specialists, but, you know, there are people in Manhattan who are able to go see a psychiatrist about, you know, their dog urinating on the carpet, there should be veterans suffering from PTSD who are able to see somebody immediately without any question. We just need to do whatever it takes.

And, Mr. Stier, I just have to tell you I really appreciate your comments about this being perhaps the starter pistol, and what is really needed ultimately is accountability and oversight. And for the record, I would love for you to tell us what you specifically recommend for that to ensure that we are following up on this. Be-

cause it can't just be, look, this stuff is hard, we can't hire these people, it is hard in American medicine, there have to be consequences if there are new authorities and resources given to get the job done and to prevent veteran suicide and provide greater access for mental health.

So sorry to make a speech and not ask as many questions, but I would like the direct answers to those questions I asked of you, Mr. Hernandez and Dr. Clancy.

Dr. CLANCY. We will get you that information expeditiously.

I am going to presume, just to clarify, that getting the full spectrum of professionals who provide mental health care is what you would like, the social workers, psychologists, psychiatrists.

Mr. O'ROURKE. Nurse practitioners.

Dr. CLANCY. Yes.

Mr. O'ROURKE. Everyone involved in the provision of that care, so that we can connect veterans who need it, who aren't receiving it today, that is what I am looking for.

Dr. CLANCY. We will get that to you expeditiously.

I will also just insert for one moment that we are exercising all of the incentives that, thanks to the Congress, were provided in the Clay-Hunt bill as well, because we agree with you, whatever it takes; this is an imperative.

And one other thing. One of the Secretary's 12 breakthroughs actually does include a component on suicide. It is not explicit about the hiring piece, but to do it right, we have got to have the hiring piece as well. So that message has been heard.

Mr. O'ROURKE. Thank you.

Mr. BENISHEK. Dr. Abraham.

Mr. ABRAHAM. Thank you, Mr. Chairman. And thank you for this hearing, it is a great hearing.

I am going to pick up where Mr. O'Rourke left off, I thought his line of questioning was great.

Mr. Hernandez, you said there was a 60-day period from when that applicant hits to when it is a job offer. What percentage of job offers that the VA extends are actually taken? What percentage of those physicians or nurses that come into the VA? Is it a 50 percent, is it a 25? So if you offer a hundred positions, how many are taken by the applicants?

Mr. HERNANDEZ. If I understand the question correctly, out of the job offers that we made, you want to know what percentage of those—

Mr. ABRAHAM. Accepted the offer, yes.

Mr. HERNANDEZ [continued]. —accepted the job offer?

Mr. ABRAHAM. Yes.

Mr. HERNANDEZ. I don't have that data with me.

Mr. ABRAHAM. Okay. If you could, I would appreciate that. I think that is important.

Do you know, in 2015, let's go to DOs and MDs, just physicians themselves, how many hires were made by the VA, do you have that answer?

Mr. HERNANDEZ. How many overall hires we did?

Mr. ABRAHAM. Yes, sir. If you put MDs and DOs together, how many hires? Do you have that particular answer?

And the reason I ask the question, I mean, you said with Mr. O'Rourke's question that we had 43,000 open slots, I just wanted to see how many are being filled. And you can get back to me, that is fine.

Mr. HERNANDEZ. Yes, I will get back with you.

Mr. ABRAHAM. I didn't mean to put you on the spot, that is not my intent here. My intent is just to get something I can wrap my head around and get an answer.

Mr. HERNANDEZ. Yes, sir.

Mr. ABRAHAM. Dr. Clancy, I know with the credentialing board that the VA has, is there any difference in standards between the MDs, the DOs, the DPMs, all the MPs and PAs, is it pretty much standard operating procedure across the board as to how they are graded before they are offered that job offer?

Dr. CLANCY. Yes. What takes time here is, like many institutions, we do primary source verification.

Mr. ABRAHAM. Right.

Dr. CLANCY. So we are not sort of taking someone's word for it, but yes.

Mr. ABRAHAM. Okay. Mr. Stier, the figures that you have, do they agree with Dr. Hernandez as far as that 60-day? I am like Dr. Benishek, you know, I am out in the district and I am talking to my docs that are trying to get into the VA system and they say, you know, it has been over a year. So I just want to make sure we are all on the same page here.

Do your figures go with what the VA is telling us here?

Mr. STIER. So two things. The first is that I don't have access to their direct hire information, so I have no independent sourcing. But I would say that what we have heard so far is a general number as opposed to the mission-critical positions that you are focused on, as I understand it, the doctors.

So I think one of the interesting requests would be, can we get information about time to hire for, you know, MDs or DOs, so that you have the specific population you are interested in.

And then I just would like to add again that time to hire is relevant, but at the end of the day, you can hire fast or slow, if you don't hire well, you have not done the job.

Mr. ABRAHAM. I totally agree with that.

Mr. STIER. And I think one of the things that this bill is important about is that it is going to also require some critical information around applicant satisfaction, hiring manager satisfaction. So asking both the population that is applying for the job, what was the experience like, and then the people who actually need the hires, did you get the talent that you actually wanted and relative to, you know, what you have been doing in the past. So those things are very important.

I think you heard one other thing that was really critical here is the technology. You don't have an integrated HR system across the whole agency, so it is very hard to do the kind of work that you actually need to do in terms of comparing the information and holding folks accountable if you don't have that. So that would be another place where I think further exploration would help, you know, understand how you can improve the situation.

We don't have, and again VA is not alone, we don't have integrated HR platforms, it is a big mistake. Any other large organization that is well run in the private sector would have it. And it is a big problem in the government and it is not the agencies, there is lots of room for blame around. So to fix it, I think this is a place that Congress could help.

Mr. ABRAHAM. Okay.

Mr. FUENTES. Congressman, if I may—

Mr. ABRAHAM. Yes, sir, Mr. Fuentes.

Mr. FUENTES [continued]. —just one quick suggestion.

Mr. ABRAHAM. Yes, sir.

Mr. FUENTES. In order to identify the bottlenecks, I think one of the things that can be done is really take a look at the different segments and their hiring process.

One of my biggest, I would say, complaints of how VA measures things is they select the start date or they select the time in which they start measuring. And I think what is needed is to really take a look at every single segment of the hiring process, from the time that someone has left, or that vacancy was created, until the time that we get someone to fill that vacancy.

Mr. ABRAHAM. I understand, good point.

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

Mr. BENISHEK. Ms. Titus, you are recognized.

Ms. TITUS. Thank you very much, Mr. Chairman.

As we have had meetings over the last several years, you have heard me say many times that we need to not only focus on making it easier for the VA to discipline and dismiss employees, but also to recruit and retain the best employees. So I want to thank Dr. Benishek and also Dr. Wenstrup and your staff for bringing this legislation forward, and for including me and my staff in the process as you have drafted it, we very much appreciate that.

I hope also as we continue working on the bill, that we will include in it legislation that Mr. Takano and I have worked on to kind of continue something we started when we were doing the Choice Act, which was to increase the number of GMEs. We had that for five years, I hope we can extend that to ten years, because we have often heard that where you go to school and do your residency is where you stay and practice. And so that might also be something that helps with this problem.

Mr. Stier, your testimony presents some very compelling statistics that are pretty upsetting in terms of the retirement and the number of people who are going to be retiring, and the number of people who think it is not a great place to work and, you know, that seems to be a real challenge. But I think it also presents us an opportunity, because with this many vacancies, it kind of dovetails with the Secretary's position of recreating the VA as my VA and making it more veteran-centric as opposed to agency-centric.

And so I hope that we take advantage of the opportunity to broaden the kind of people we hire. You mentioned that we don't have enough young people coming into the program and yet the number of young veterans is increasing in my district, it is almost as equal to Vietnam veterans at this point, and I think that number will overtake the previous war veterans. Also, more women are now coming into the VA, LGBT issues are coming in.

So I wonder if you are doing anything specifically to recruit these kinds of employees or if there is anything we can do to help you kind of broaden the base of people who are coming to work for the VA who can better serve the special needs of our new and younger veterans.

I don't know, we can start with anybody.

Dr. CLANCY. So I will say we have a center for the department, and also an Office of Health Equity within VHA that reports directly to me that keeps a very close look on this, not just to count numbers, which is one step, but actually to identify outreach opportunities and opportunities where we can encourage a very broad applicant pool. So I did want you to be aware of that.

Obviously, as our affiliates in medical schools and so forth themselves become more diverse, that becomes a terrific fertile recruiting ground and one that we take very seriously. The Secretary has been in more medical schools than I think he ever thought possible, but he never misses an opportunity to go out on recruiting opportunity for that.

Ms. TITUS. Well, I am glad to hear that, because women veterans often tell me they would prefer to see a woman doctor, but that there aren't many available. Some transgender veterans say there aren't many who kind of understand their special issues or can talk to them or relate to them. So I think the more diversity you have in your recruiting, the better.

I didn't mean to cut you off, I'm sorry.

Dr. CLANCY. No, I was going to say that we are making a change in the very near future. All of our facilities, and I bet Dr. Benishek would know this, have an our doctors Web site, but right now you click off by the alphabet. So if I knew that I was looking for Benishek, I would click on B, right? We are going to make it much easier for veterans to find information about physicians that they would be interested in. For example, if I want to see a woman physician, I can actually see a photo and things like that, and it will be a lot more contemporary than our current sites.

Ms. TITUS. Mr. Stier, do you want to add to that?

Mr. STIER. The one thing that I hope you will find germane is that there are a lot of good things that the VA is doing right now in terms of on the execution side, but we are coming up obviously to an election year, and one of the big challenges in government agencies is good work gets started and then it gets interrupted because of the change in the leadership.

And so I think that is an area that this Committee could actually assist on in terms of trying to ensure at least two things, one of which is, you know, making sure that when there is an interruption of political leadership that the agency actually has plans to carry forward the good things that are going on, and that this Committee holds the next team accountable to carrying on the good work. So if there is some number of priorities that you want to see occurring, you get at them at the very front end.

And, you know, we heard some discussion about the qualifications for Medical Centers and I would ask whether this Committee will push on qualifications for leading the VA as well, but obviously it is a huge job, it is a huge transformation effort, and the kinds

of folks that you get into those positions and the speed in which you get them there will be very important.

So I am kind of using your question for a little more and I hope that is okay.

Ms. TITUS. That is fine, I appreciate that.

Just real briefly. When we talk about recruiting in under-served areas, we tend to focus on the rural areas, but also some of our inner cities are also under-served. I know I represent the heart of Las Vegas. So let's keep that in mind as we move forward, those areas can be under-served as well.

Thank you, Mr. Chairman.

Mr. BENISHEK. Dr. Ruiz, you are recognized.

Mr. RUIZ. Thank you. I would also like to start by saying thanks to the leadership of both the Health and Economic Opportunity Subcommittees for holding this hearing, and for continuing to include my legislation, H.R. 4150, and Section 3 of the discussion draft.

The inclusion of other medical professionals other than emergency physicians will only continue to ensure veterans receive the efficient, effective and continuous care that they deserve. By allowing schedulers and managers more flexibility, physicians and other care providers will be able to work schedules that are more beneficial to the patient and promote continuity of that care.

However, I disagree with the VA's suggestion that the language of this section be amended to say, quote, "is not less than," unquote, as opposed to, quote, "does not exceed," quote. I am concerned that requiring "is not less than" would likely lead to confusion and potential abuse within the department, and ultimately deter medical professionals from seeking employment within the VA.

The point is to match scheduling and work practices with the private sector in the emergency department and other shift-like work like hospitalists who sometimes work a light-shift week for maybe one or two weeks and then resume with a very heavy-shift work week for one or two weeks that could be more or less than a specified number. So the idea is flexibility, not to create a rigid, concrete amount as the change in language would signify.

So I urge my colleagues to keep this in mind as we continue to develop this discussion draft into legislation. And I look forward to continuing the discussion around Section 3 and the discussion draft as a whole.

Let me ask you a question, Dr. Clancy. Does the VA have a physician shortage that mimics the general population physician shortage?

Dr. CLANCY. Yes.

Mr. RUIZ. Okay.

Dr. CLANCY. Particularly primary care and mental health. I mean, those are tough for us. We got ahead of the curve briefly for mental health for the whole system, but because so few students are choosing those career paths, that becomes a rate limiter, and with mental health parity for the rest of the population.

Mr. RUIZ. And how do you measure that? You know, in the United States we have the medically recommended number of one physician for 2,000, and to be medically under-served it is one to

3,500. What is the recommendation for physicians within the VA and how do you measure it? Is it per population? Is it per attachment area population of veterans? How many physicians per veteran population is your goal?

Dr. CLANCY. I don't think that we have a physicians-per-veteran-population for the goal, which would be a bit tricky because—

Mr. RUIZ. Do you think we should have one?

Dr. CLANCY. We would be happy to explore that with you further. The issues are—that not all veterans in a particular area are enrolled in our system and some who are enrolled use our system for some services, but not all.

Mr. RUIZ. So how do you determine need and how do you determine physician-shortage need within specific visits within specific VA health care systems?

Dr. CLANCY. We determine that by how easy it is for veterans to get their needs met, that is literally veterans who report that they usually always can get the care that they need or want in a timely way, literally. And we actually look very closely, as Dr. Wenstrup knows, I am sorry he is not here because we have been over this with him a lot, in terms of physician productivity, and are we providing the right infrastructure support so that they can be as productive as possible.

So it is a very dynamic—

Mr. RUIZ. So where do you recruit these physicians where you have these unfilled vacancies and this physician-shortage needs, where is your best place to recruit them? And is the military a fruitful place for you to recruit not only physicians or residents or maybe perhaps even pre-meds from the medic community into the medical school, and then into your residency programs and ultimately into your VA?

Dr. CLANCY. I don't know if we have statistics on that, I will ask Mr. Hernandez in a second. I want to assure you that there is absolutely no source that we don't turn to, whether that is the military. Our affiliates and the students who rotate through our facilities are a very good source.

Mr. RUIZ. My specialty, as you know, is emergency medicine and I do have public health background and public policy background with my educational training, but my on-the-ground effort has been to address a physician shortage crisis and how to create pipeline programs from very difficult, under-served, hard-to-reach communities where you lack physicians, take students from those communities into medical schools, into residencies, back into those communities.

So I want to be able to better define the problems that you are having using some real analytical tools rather than qualitative tools or maybe inaccurate tools of wait times, so that we can better match the need with the source, or maybe even create a pipeline program from pre-med medics into medical schools that feed the VA residency programs and into ultimately staying in the VA health care system.

Dr. CLANCY. We would be delighted to work with you on that.

Mr. RUIZ. Let's work on that.

Dr. CLANCY. Great.

Mr. RUIZ. Thank you.

Mr. BENISHEK. Thank you, Dr. Ruiz.

Well, that is pretty much it for the questions, but I just want to make one more comment that I have been thinking about through the whole hearing here. And it is something that since I worked within the VA, and I speak to a lot of VA physicians, and it is not something that we really addressed here in this legislation or the hearing, but my feeling is that with speaking to many physicians, that they do not have enough input in the way the processes that the VA does where they feel as if they are doing things as well as they could.

And some of the comments Dr. Wenstrup touched on a little bit, but my experience is that physicians feel as if they are not being as efficient as possible because they don't have enough input in the way things are done. The nursing department decides how the clinics are run and the physicians may not have enough input there.

And in order to make it a competitive place to recruit physicians, they need to have the input to feel as if they are doing a good job, because I know things are changing in medicine where more and more physicians end up working for a big organization because you can't do it.

But you have to compete with the private sector and I think that you really need to work on that issue, because many of the physicians are very frustrated with it in the VA. And that the whole culture there needs to have physician leadership and communication with the medical director and the physicians on staff, and a visit to VA is an important part of that. So I want to encourage you to make that happen a little easier.

So thank you all for being here again today. Does anyone have any other questions?

The panel is now excused.

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.

This hearing is now adjourned.

[Whereupon, at 3:25 p.m., Subcommittees were adjourned.]

A P P E N D I X

Prepared Statement of Max Stier

Chairman Benishek, Chairman Wenstrup, Ranking Member Brownley, Ranking Member Takano, members of the Subcommittee on Health and Subcommittee on Economic Opportunity, thank you very much for the opportunity to share the Partnership's views of the Subcommittees' draft legislation to improve the authority of the Secretary of Veterans Affairs to hire and retain physicians and other employees.

I am Max Stier, President and CEO of the Partnership for Public Service, a non-partisan nonprofit organization that works to revitalize our federal government by inspiring a new generation to serve and transforming the way government works.

Background

On May 15, 2015, the Partnership submitted a statement to the Subcommittee on Health addressing how the Department could overcome barriers to efficient and effective staffing of medical and non-medical personnel¹. In our statement, we discussed how VA employees are deeply committed to the Department's mission, but the agency as a whole struggles with declining morale and an inefficient hiring process. We recommended three ways VA could improve its talent acquisition processes: reforming the hiring process, standardizing onboarding across the organization, and placing renewed focus on employee engagement efforts. The Partnership reinforced those recommendations at the Subcommittees' December 2, 2015 Roundtable on Veterans Affairs Hiring. I am pleased to note that the legislation being discussed today would address each of these recommendations in a substantive and meaningful way, and would, I believe, improve the Department's ability to recruit, hire and retain the top-quality talent our Nation's veterans deserve.

VA Must Do More to Bring in Young Talent

The ability of the Department of Veterans Affairs to care for and support America's veterans depends on how well it can recruit, hire and retain highly qualified and engaged employees, particularly in the medical field. Unfortunately, the Department has struggled to bring in and hold on to top talent, with some reports showing nearly 41,000 vacancies at the Veterans Health Administration alone.² VA employees recognize these challenges as well. According to a Partnership for Public Service analysis of the Office of Personnel Management's (OPM) 2015 Federal Employee Viewpoint Survey, fewer than half of VA's employees responded positively to the statement, "My work unit is able to recruit people with the right skills" (43.2%), while a bare majority of VA employees (51%) believe "the skill level of my work unit has improved over the past year."

Recruitment and retention issues are exacerbated by an aging workforce which is becoming eligible for retirement in increasing numbers. For example, GAO found that by FY 2019 one in five VA nurses will be able to retire³, while 42% of VHA's overall senior leadership, including medical professionals, was retirement eligible in 2015.⁴ In order to create a balanced workforce and meet both short- and long-term talent needs, VA must do more to recruit and hire students and recent graduates, and millennials more generally. Focusing efforts to bring in young talent now has the additional benefit of allowing new employees to learn from thousands of tal-

¹ Statement of Max Stier, President and CEO of the Partnership for Public Service - Prepared for The House Committee on Veterans' Affairs Subcommittee on Health Hearing Entitled, "Overcoming Barriers to More Efficient and Effective VA Staffing", 114th Cong. (2015) (testimony of Max Stier). Print.

² Hoyer, Megan. "Half of Critical Positions Open at Some VA Hospitals." USA Today. 4 Sept. 2015. Web. 1 Mar. 2016.

³ 1A United States of America. Government Accountability Office. VA Health Care: Oversight Improvements Needed for Nurse Recruitment and Retention Initiatives. Washington, D.C., 2015. Page 9. Print.

⁴ 1A *Ibid.* 21.

ented, dedicated and experienced medical professionals, benefits administrators, and mission-support staff before they leave the organization.

The Department's own 2014 Interim Workforce and Succession Strategic Plan noted that by the end of the decade the U.S. workforce will be approximately 50% millennials. 1A⁵ The Department of Veterans Affairs cannot be left behind. However, to date VA has struggled to build pipelines of young talent. In 2015, just 0.68% of VA's workforce was under the age of 25 and 5.35% were under the age of 30. In terms of hiring, 15.7% of new VA hires were under the age of 30, while the comparable government-wide figure was 25.2%, according to OPM's Fedscope database. In 2014 millennials made up 11.3% of the Veterans Health Administration workforce, where the bulk of the Department's employees reside. 1A⁶ Exacerbating this problem is low satisfaction among younger employees. The latest Best Places to Work in the Federal Government Rankings, published by the Partnership for Public Service and Deloitte, found that VA ranked second-to-last among large agencies in satisfaction among employees under the age of 40.

Partnership Views of the Draft Legislation to Improve VA's Authority to Hire and Retain Physicians and Other Employees

Because several sections of the proposed legislation are outside of the Partnership's areas of expertise, I will focus my remarks on those provisions on which we are best equipped to comment. My remarks below address each relevant section individually.

Section 2. Appointment and Pay for Directors of Medical Centers and Veterans Integrated Services Networks

The Partnership supports greater use of market pay as a mechanism for attracting and rewarding top talent in government, though we do not have a specific view as to the qualifications standards for medical center and Veterans Integrated Service Network directors. The Partnership's 2014 report with Booz Allen Hamilton, *Building the Enterprise: A New Civil Service Framework*, states that the current federal pay system undermines government's ability to attract and retain high-quality professional and administrative personnel and proposes a market pay system that recognizes distinctions between job types, compensation, and performance common in the private sector. We are pleased to see the Subcommittees expanding this concept to these critical, high-visibility positions.

Section 7. Executive Management Fellowship Program

The Partnership has long supported efforts to expand the mobility of government employees and senior executives across agencies and between government and the private sector. For that reason, we strongly support the draft legislation's Executive Management Fellowship Program, which would provide a one-year fellowship to eligible employees to work in private sector organizations engaged in the administration and delivery of health care or other benefits. In 2012 the Partnership and McKinsey and Company issued a report titled, *Mission-Driven Mobility: Strengthening Our Government through a Mobile Leadership Corps*, examining how the SES could meet its promise of serving as a mobile, enterprise-wide leadership team as originally envisioned by the Civil Service Reform Act of 1978. Our report describes the powerful positive impacts of mobility in building executive managerial skills, strategically filling vacancies, and infusing new thinking into an organization. Senior career employees at VA will benefit from access to diverse perspectives, a breadth of experience, and a deeper understanding of the private sector's processes, technologies, and operational framework. The Executive Management Fellowship Program, aimed at SES and aspiring senior executives, if well-executed, offers to bring significant benefits to VA's senior executive corps.

We recommend the Subcommittees consider two changes to the Executive Management Fellowship Program as currently constructed. First, we suggest increasing the program's cap of 30 participants, for example by initially implementing the Fellowship as a pilot program with a participant cap to determine its effectiveness, and then opening it up to a larger number of participants if warranted. To ensure that only the best employees are able to participate, the Subcommittees should also consider requiring eligible employees to have at least two consecutive outstanding ratings. The combined workforce of VHA and VBA is nearly 293,000, and there are more than 7,000 eligible participants. Cost concerns aside, the vast size of this

⁵ 1AUnited States of America. Veterans Health Administration. Healthcare Talent Management, Workforce Management & Consulting Office. 2014 VHA Interim Workforce and Succession Strategic Plan. Page 13. Web.

⁶ 1Aibid. 24.

workforce means that a cap of 30 participants will severely limit the program's potential impact. The Partnership believes mobility is a worthwhile investment, and would demonstrate to senior VA employees that their agency values them and is willing to invest in their development. Our second recommendation is to look at ways in which the Fellowship program could be made into a two-way exchange, in which individuals from the private sector come to VA to share cutting-edge operational techniques and best practices.

Section 8. Accountability of Leaders for Managing the Department of Veterans Affairs

The Partnership strongly supports the draft legislation's provision requiring political appointees at the Department to undergo a performance planning and appraisal process similar to that of the Department's career senior executives. We additionally recommend that the Subcommittees look into how VA could create connectivity between the performance expectations for political appointees and career executives. Though political appointees and career executives face different demands and operate at different levels of the organization, aligning performance expectations in this way can help needed reforms and accountability cascade throughout the organization.

As the highest level of leadership in the Department of Veterans Affairs, political appointees play a crucial role in providing leadership and setting priorities for the organization. Appointees should be held accountable for their performance and contributions like every other employee. Data from the Partnership's analysis of the latest OPM Federal Employee Viewpoint Survey demonstrates why this provision is so important: in 2015, just 32.7% of VA employees responded positively to the statement, "In my organization, senior leaders generate high levels of motivation and commitment in the workforce", and only slightly more, 38.5%, positively responded to the statement "My organization's senior leaders maintain high standards of honesty and integrity." Appraising and holding accountable political leaders for setting priorities and expectations, and developing an empowering and engaged culture throughout the organization, will help to restore trust in senior leadership.

We are particularly pleased that the performance plans will address the accountability of leaders for promoting good practices and supporting efforts to recruit, select and retain well-qualified individuals, engage and motivate employees, train and develop future leaders in the Department, and hold managers accountable for addressing performance issues. Each plays a critical role in building a high-performing workforce, and will further drive leadership attention to the pressing workforce issues within the Department. However, engaging and motivating employees may be one of the most immediate and impactful ways by which senior political appointees at VA can make an impact. As noted above, fewer than four in ten VA employees feel that their senior leaders are motivating them. The Partnership's Best Places to Work in the Federal Government Rankings put VA employee satisfaction with senior leaders at 18 out of 19 large agencies. GAO has also found that employee dissatisfaction negatively impacts the ability of VHA to retain employees in mission-critical occupations. 1A⁷

Section 9. Modification of Veterans Preference

While the Partnership supports the goal of a diverse federal workforce, including the continued recruitment and hiring of veterans, we have concerns over the proposed legislation's expansion of veterans' preference to the Senior Executive Service. The Senior Executive Service is, by law, excluded from the application of veterans' preference, and applying such preference specifically to VA would put the Department at a disadvantage when competing for executive talent with other agencies and the private sector. Requiring, as the proposed legislation does, that VA should select candidates for senior executive positions "in the same manner and under the same conditions required for the competitive service" may further hinder the VA's ability to recruit diverse talent with the skills the Department badly needs, such as in hospital administration and critical mission-support functions such as human resources, information technology, and financial management.

We ask the Subcommittees to consider other ways to increase the number of veterans in senior executive positions that do not unnecessarily restrict the Department's ability to bring in the executive talent needed to complete its transformation process. Concerns about a relative paucity of veterans in top leadership positions is a valid concern, and there are substantive ways in which the Subcommittees and

⁷ 1A United States of America. Government Accountability Office. VA Health Care: Oversight Improvements Needed for Nurse Recruitment and Retention Initiatives. Washington, D.C., 2015. Page 17. Print.

VA can work together to address it. For example, while VA does not have specific leadership development programs aimed at employees who are veterans, the Department can increase its efforts to encourage veteran employees to participate in its two primary leadership development programs, LeadershipVA and the Senior Executive Service Candidate Development Program, which prepare employees for senior leadership positions. VA could also enhance its outreach to the broader veterans' community to recruit external veteran candidates for SES jobs at the Department. Such an approach would require VA to work with these candidates to help them navigate the SES application process, though we believe it is well worth the effort.

Section 10. Reemployment of Former Employees

The Partnership enthusiastically supports granting VA authority to noncompetitively appoint qualified former employees of VA to any competitive or excepted service position at the agency - an issue the Partnership discussed in our report, *Building the Enterprise: a New Civil Service Framework*. As the report notes, current law allows a former employee who has held a career or career-conditional position to be noncompetitively reinstated only at a grade level at or below that which they held before leaving government. This change, provided for in the draft legislation being discussed today, will give VA greater flexibility in bringing back employees who have gained valuable training and work experience in their time away from the Department, and would provide an additional incentive to employees who are considering a return to VA.

We suggest, however, that the Subcommittees consider going further. Specifically, we would recommend removing the one grade level limit and opening the opportunity for noncompetitive reemployment to all federal employees, rather than just those previously employed at the Department. By removing this limitation, VA would offer further enticement to those former employees who are more advanced in their careers, providing the Department with an additional method by which it could recruit mid-career and senior-level talent. Opening the noncompetitive reemployment opportunity to all federal employees would give VA a leg up in recruiting talent from other agencies with similar workforces (e.g., HHS, NIH, DOD, etc.) and recognize the enterprise-wide nature of the challenges that agencies like VA face in hiring top talent. We understand and appreciate the concern over the potential of this flexibility to be used improperly, but believe this could be easily addressed by requiring the VA Inspector General or the Government Accountability Office to audit the use of this hiring authority within a specific timeframe to ensure that it is being used as intended. VA could also report on the use of this authority as part of the hiring effectiveness measures in Section 15.

Section 11. Recruiting Database

The Partnership supports the draft bill's requirement for the Department of Veterans Affairs to create a Department-wide database for vacant mission-critical and hard-to-fill positions, particularly those that have been vacant for a prolonged period of time. VA's decentralized hiring processes have led to many facilities competing for similar talent, and has prevented the Department from addressing critical shortages where they exist. The recruiting database will help VA move closer to an enterprise-wide hiring system that can effectively address recruitment, hiring and retention challenges where and when they occur, rather than simply hoping candidates for VA jobs find their way to the facilities where they are needed most. We recommend that VA consider how it can combine the recruiting database authorized by this legislation with the recently-enacted Competitive Service Act, which allows agencies to hire off each other's certification list for a position. The Partnership believes the Act has the potential to greatly facilitate the filling of mission-critical positions both government-wide and within the VA, and we encourage VA to work with the Office of Personnel Management to make the best possible use of this new authority.

Section 12. Human Resources Academy

The Partnership supports all efforts to strengthen the federal human resources workforce. Our May 15, 2015 statement for the Subcommittee noted that VA HR staff tend to "post and pray" when hiring for key positions and receive limited training in workforce and succession planning. A September 2015 GAO report on the recruitment and retention of nurses also found that a lack of sufficient administrative support from HR departments at individual VHA facilities limited the extent to which those facilities could take advantage of recruitment and retention tools, though this report cited a lack of resources for HR teams as having just as big an

impact as training. 1A⁸ The decentralized nature of VA's hiring system also tends to mean that recruiting and hiring is not done strategically and special hiring authorities and flexibilities are not used to the extent that they could be.

The Department currently operates a "VA HR Academy", which provides access to training, career pathing tools like MyCareer@VA, and an HR competency model for VA HR employees to use as part of their professional development 1A⁹, but it has been underfunded in recent years. This legislation provides an opportunity to bring greater prominence and renewed focus to this underutilized resource. Specifically, the goals of the legislation to provide more training on best practices in recruiting and hiring mission-critical talent should be integrated into a strengthened HR Academy. The Subcommittees should request more information from VA on the current status of the HR Academy, and on ways the Academy's offerings can best be tailored to meet the intent of this legislation and the Department's most pressing current talent needs. Reviving the VA HR Academy has the potential to address the challenges this draft legislation seeks to take on, and could even help increase engagement among VA's HR workforce. The Partnership's 2015 Best Places to Work in the Federal Government Rankings showed the cohort of human resources employees at VA ranked 10 out of 18 large agencies in overall satisfaction.

In 2012, the Partnership's Vice President of Policy John Palguta testified before the Senate Homeland Security and Governmental Affairs Subcommittee on the Oversight of Government Management, the Federal Workforce and the District of Columbia on building and maintaining an effective federal human resource workforce 1A¹⁰. His testimony emphasized the important role HR plays in acting as a strategic advisor and business partner supporting the mission side of the organization and advocated for directing more resources to the federal HR workforce. Not only can better training for HR staff improve the quality of talent coming into VA, but has huge potential to improve morale and engagement, increase retention, and reduce turnover costs.

Finally, we recommend both to the Subcommittees and to VA that the training provided by the VA HR Academy also include 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 think more holistically about how other aspects of VA's HR processes impact its ability to use the tools, flexibilities and authorities available. Another recommendation to the Subcommittees would be to expand the availability of training beyond just human resources staff to all VA employees who are engaged in recruitment activities. We hope the Subcommittees will consider other ways by which more attention and resources can be directed to VA's human resources offices and staff, for example by specifically authorizing money for non-medical, mission-support training at the Department that will be protected from use for other administrative or personnel activities. HR plays a crucial role in ensuring that VA has the talent it needs to serve veterans, and we appreciate the Subcommittees substantive action in this area.

Section 13. Promotional Opportunities for Technical Experts

The Partnership is highly supportive of the draft legislation's provision requiring the Secretary of Veterans Affairs to establish a promotional track system for employees of the Department who are technical experts. The rigid structure of the GS system requires employees to move into supervisory and management roles, even in cases where the employee may not be an effective manager but must take on such duties in order to advance in their career. This is especially true for employees who possess valuable technical expertise but are not suited for supervisory duties. Such employees may include medical professionals or experts in veterans' benefits law who possess valuable expertise in complex subjects.

However, we believe this provision can be further strengthened by making explicit that the Department should evaluate candidates for managerial or supervisory roles based on their executive and people skills as well as their technical expertise, and give candidates the opportunity to develop these skills. Like most other federal agencies, VA does not have a standard criteria for promoting managers. As noted above, managers are often promoted based on the technical expertise relevant to

⁸ 1A**ibid.** 17.

⁹ 1A"VA HR Academy." Home. Department of Veterans Affairs, 17 Nov. 2014. Web. 09 Mar. 2016.

¹⁰ 1AStatement of John Palguta, Vice President of Policy, Partnership for Public Service - Prepared for The Senate Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia titled "Building and Maintaining and Effective Human Resource Workforce in the Federal Government", 112th Cong. (2012) (testimony of John Palguta). Print.

their particular organization (e.g., VBA will look for managers with strong knowledge of claims administration). We recommend the Subcommittee consider language requiring aspiring supervisors and managers to demonstrate leadership skills either through their day-to-day work or through an educational requirement. This educational requirement could take the form of online or in-person classes developed and advertised through VA Learning University (VALU). Employees would not be able to advance into supervisory or managerial positions without being certified as having taken such a course. This would be a high-impact and light lift for the Department. Not only would it guarantee that every new manager understands the basic tenets of effective leadership, but would allow those individuals who are not fit for management to realize it before they take on a supervisory role. Only those employees who have the competencies necessary to be successful would become supervisors.

Section 14. Comptroller General Report on Succession Planning

The Partnership supports the requirement included in this draft legislation requiring the Comptroller General to report on succession planning efforts at the Department of Veterans' Affairs. According to Secretary McDonald's statement before the House Committee on Veterans' Affairs on February 10, 2016 1A¹¹ the Veterans Health Administration hired over 41,000 employees in 2015, though that hiring resulted in a net employment gain of about 14,000 staff. This, combined with the figures on retirements cited earlier, suggests a high level of turnover at the Department, and a need for a robust succession management process. The Partnership believes this report would be useful in helping the Department better understand the quality of succession planning going on throughout the organization and in developing a more consistent succession planning strategy. While VHA currently conducts strategic planning across its network of facilities 1A¹², the GAO's report would give Congress better visibility into the extent and usefulness of workforce and succession planning activities at these individual facilities, as well as at other facilities across the VA. As the Partnership's 2011 report with Booz Allen Hamilton, *Preparing the People Pipeline: A Federal Succession Planning Primer* noted, succession planning is an effective tool for dealing not only with departures but also with retention by helping managers determine the critical skills that exist within their teams and how to develop and keep needed talent. The Partnership encourages VA to use this report to further refine and strengthen its internal succession planning processes, ensure that such processes are consistent across the organization, and tie them to the measures of hiring effectiveness required to be collected under Section 15.

Section 15. Information on Hiring Effectiveness

The Partnership applauds the Subcommittee's decision to include in its proposed legislation a mandate for VA to measure and report on the effectiveness of its hiring process, and we believe this requirement can be further strengthened. As I noted at the Roundtable on VA hiring hosted by the Subcommittees in December, you cannot manage what you cannot measure. VA must have actionable data in order to properly understand and address persistent hiring challenges. Yet the Department appears to lack a comprehensive understanding of the strengths and weaknesses of its hiring process. The language proposed here would require VA to collect and publicly report on the effectiveness of its recruitment programs and hiring authorities, the quality of new hires, time-to-hire, applicant and employee satisfaction with the hiring process, and new hire satisfaction with onboarding, among other things. These data should allow VA to construct a fuller picture of its hiring process, including specific points where the process bogs down. Developing a fuller understanding of the use of special hiring tools, authorities and flexibilities is especially critical, as Congress has authorized a number of programs and tools at VA to promote hiring, particularly of medical professionals, such as the Education Debt Reduction Program, the Employee Incentive Scholarship Program, and various recruitment, retention and relocation incentives.

To make this report even more valuable both to VA and to Congress, the Subcommittees should look at including a measure of "customer satisfaction" of hiring managers and new employees with VA's human resources offices, for example by

¹¹ 1AStatement of the Honorable Robert A. McDonald, Secretary of Veterans Affairs, For Presentation Before the House Committee on Veterans' Affairs, "Budget Request for Fiscal Year 2017", 114th Cong. (February 10, 2016). Print.

¹² 1AUnited States of America. Veterans Health Administration. Healthcare Talent Management, Workforce Management & Consulting Office. 2014 VHA Interim Workforce and Succession Strategic Plan. Page 5. Web.

asking their views of the information and support they received from their HR offices. It is worth noting that VA has collected this data in the past. Such a measure, if included, should also specify that data should be taken from HR offices across the VA enterprise, where the vast majority of hiring and other personnel actions take place. We encourage the Subcommittees to look into the administration's and VA's work to benchmark costs and best practices across agency mission-support functions and how these efforts can be further encouraged, a process that involves analyzing customer satisfaction in each function. VA is currently tasked with benchmarking administrative spending and identifying performance improvements opportunities in the areas of real property and financial management 1A¹³. An expansion of the benchmarking effort to VA's HR by the administration would go a long way towards fixing the organization's talent issues. We also recommend that, as part of the Department's requirement to share this information to Congress, it be asked to report on the biggest pain points in or barriers to effective hiring. We believe this is an effective way for the Subcommittees to engage with VA on any additional reforms necessary to improve its hiring process.

It is, however, important to understand that VA's HR systems, as currently constructed, are not built to collect and centralize this information. In fact, this problem is not unique to VA - nearly every agency lacks such a system. While VA is currently developing an integrated human resources information system, it is still in its early stages and rudimentary. Personnel databases are scattered across the organization and within each of the Department's individual subcomponents, and each subcomponent owns its own data. The bill as written requires VA to fully commit to constructing a centralized information system. This is a very worthy goal, and something we encourage the Department to pursue. It is important to understand, though, that it will take time. However, the Subcommittees' draft legislation can serve as a useful focusing mechanism for the Department and prompt quicker development of this system.

Section 16. Employment of Students and Recent Graduates

The Partnership is highly supportive of the draft legislation's provision codifying the Department's authority to convert Pathways program participants to full-time entry-level positions. At the Subcommittees' December roundtable on VA hiring, I emphasized how student interns and recent graduates provide the best way for the Department to assess and hire top young talent into the organization. Increasing the number of young people in an organization can provide fresh ideas, reinvigorate the workforce, and provide a pipeline of future leaders. This is true even at VHA, which could take advantage of students and recent graduates to fill nursing, physician assistant and mission-support roles. Increasing the number of students and recent graduates in VA's workforce is critical given the overall dearth of young talent at VA which I noted earlier. The private sector makes significant use of student interns as a talent pipeline for entry level positions, but government squanders the opportunity to make use of this talent pool. Government as a whole, and the Department of Veterans Affairs in particular, needs to normalize the way interns are utilized. While the administration's 2010 hiring reform, which included the Pathways internship programs, has made some progress, we do not believe it has been enough. The Partnership is very pleased that the Subcommittees have included this provision, which would codify VA's existing authority under the Pathways programs to make excepted service appointments of student interns, volunteers with substantive duties, and interns contracted through third-party organizations. This change would demonstrate Congress' support for Pathways and push VA to expand its use of the programs, which VA has already committed to implementing in its 2014 Interim Workforce and Succession Strategic Plan. 1A¹⁴ Ultimately, we believe this provision will increase the pool of proven, high quality entry-level talent available to VA.

Section 17. Exit Surveys

The Partnership supports mandating in statute an exit survey for employees who voluntarily separate from the agency, and we are particularly pleased that the Subcommittees have included a reporting requirement that will ensure that the Department is using the survey data to improve retention of VA employees, especially those in mission-critical occupations. VA Directive 5006 currently requires the De-

¹³ 1AUnited States of America. Office of Management and Budget. M 0914 0912: Memorandum for the Heads of Executive Departments and Agencies: Management Agenda Priorities for the FY 2016 Budget. By Brian C. Deese. July 18, 2014. Web.

¹⁴ 1AUnited States of America. Veterans Health Administration. Health and Talent Management, Workforce Management & Consulting Office. 2014 VHA Interim Workforce and Succession Strategic Plan. Page 64. Web.

partment to conduct a voluntary exit survey of employees separating from the organization, but we believe the survey is underutilized and that this provision will strengthen the survey and bring it renewed focus. Holding on to mission-critical talent requires understanding the reasons employees are leaving in the first place, and so VA's ability to continue to strengthen its hiring process requires that the Department can measure its success and hold itself accountable for its improvement. We would encourage the Department of Veterans Affairs to use this mandate from Congress to make its current exit surveys more robust, participation more widespread and data more widely available to key stakeholders inside and outside of the organization. To this end, the Subcommittees should consider requiring the Department to publically report aggregate exit survey data. VA must make special efforts to ensure that these data, in combination with the other hiring and workforce planning information required to be collected by this legislation, is available to all human resources offices and hiring managers, and is actually being used to develop a comprehensive strategy for bringing in and holding on to the talent the Department needs. Data from the 2014 VHA Interim Workforce and Succession Strategic Plan proves the need for this effort - the report showed that only 25.8% of VA employees exiting the organization had their manager or supervisor talk to them about changing their mind 1A¹⁵. Keeping all of this in mind, we encourage the Subcommittees to continue to conduct meaningful oversight of VA's hiring processes and workforce management.

Enablers of Effective Implementation

The Partnership believes this legislation has tremendous potential to improve the Department's recruitment, hiring and retention of dedicated professionals to serve our Nation's veterans. However, if the proposals offered here are to be meaningfully implemented, the Subcommittees must pay special attention to certain key enablers of that implementation. Legislation does not exist in a vacuum; it must be executed within an organization with unique strengths, weaknesses and challenges. If the Department's leadership is not committed, or not supported in making these changes happen, the odds of success become much longer. Should this legislation pass, its execution will deserve, and require, the Subcommittees' sustained attention. Below I identify several key enabling factors that will impact the potential of this legislation to bring about significant, positive change to how the Department manages its talent:

- **Support from Congress for VA employees** - Congress has an important constitutional duty to ensure that VA serves veterans efficiently, effectively and with the respect they have earned. The Department's employees are ultimately accountable to Congress, but Congress is also accountable to employees as the steward of the VA's resources and priorities. We urge the Committee to work constructively with VA to address challenges facing its workforce, and to recognize the vast majority of VA's employees who are hard-working, patriotic public servants who have dedicated their professional lives to serving America's veterans. The public image of VA, which Congress has a hand in shaping, plays an important role in supporting recruitment and retention as any single initiative of the Department.

- **Recognizing the impact of recent proposals on VA's senior executive workforce** - The Secretary's recent proposal to place the Department's senior executive corps under Title 38 grants greater flexibility to VA in hiring, paying and, if necessary, disciplining executives. However, the proposal will complicate the leadership and morale picture at VA. If that proposal moves forward, the Subcommittees should conduct rigorous oversight to ensure that it complements the intent of this legislation and furthers the goal of bringing top executive talent into the organization.

- **Clear accountability for implementation** - As written, the bill does not provide for specific individuals to be responsible for implementing the various programs, flexibilities and reporting requirements this legislation creates. It is critically important to keep in mind that there is no one human resources office at VA. Day-to-day program and policy implementation is handled by the human resources offices of the Department's subcomponents, and truly effective implementation will require the Subcommittees to, within the bill itself, delegate specific responsibilities or allow the Secretary to delegate specific responsibilities to those individuals best situated to make these improvements happen.

- **Development of a centralized, integrated VA human resources information system (HRIS)** - VA, like nearly all federal agencies, lacks a single repository of personnel data. Instead, data critical to understanding the state of VA's workforce

¹⁵ 1A Ibid. 22

and hiring processes is scattered throughout the organization. While the Department is developing a HRIS, it should not be assumed that VA's central HR office can pull this data together easily. The Subcommittees should sufficiently resource and conduct meaningful oversight of VA's efforts to build an accurate, usable and fully integrated personnel information system.

- **Sufficient resources for training and development** - Training is one of the most effective means by which VA can retain the best and brightest employees, improve morale, and reduce turnover costs. However, funding available for non-medical training at the Department has declined in recent years and has hurt its ability to provide quality developmental opportunities to employees, particularly those in mission-support functions such as human resources, who are at the front lines of the VA's efforts to recruit top talent. Further complicating this picture is that such funds can be lumped in with other personnel costs and used for purposes other than staff development. The Subcommittees, as well as the Appropriations Subcommittee on Veterans Affairs, Military Construction, and Related Agencies, should ensure sufficient, dedicated funding for quality, recurring training for the mission-support services that enable the Department's work.

- **Maintaining momentum through the transition** - There are roughly ten months left in the current administration, and many of the Department's key leaders will soon be gone. The commitment of current leadership to executing on this legislation will, potentially, be limited by an unwillingness to take on bold and time- and resource-intensive new initiatives. The Subcommittees provide important continuity across administrations, and so we urge you to sustain your commitment to building a strong, engaged and effective VA workforce.

Conclusion

Chairman Benishek, Chairman Wenstrup, Ranking Member Brownley, Ranking Member Takano and members of the Subcommittees on Health and Economic Opportunity, thank you for the opportunity to give the Partnership's views of this legislation. The draft bill we are discussing today will make a meaningful and positive impact on the ability of the Department of Veterans Affairs to recruit, hire and retain the talent it needs to achieve its mission, and we are pleased to support it. I look forward to continuing to work with your Subcommittees to advance this legislation. Thank you, and I am happy to answer any questions you may have.

Prepared Statement of Roscoe G. Butler

As far back as 1998, The American Legion expressed concerns regarding VA physicians and medical specialists staffing shortages within the Veterans Health Administration (VHA). This was accomplished by monitoring the progress in establishing patient centered primary care within each Veterans Integrated Service Network (VISN), including both rural and urban localities as well as ensuring that the model of care features both the quality and efficient combination of medical professionals that are tailored to the needs of the local veteran's population. 1A¹

Chairmen Benishek, Wenstrup, Ranking Members Brownley, Takano and distinguished members of the Subcommittees on Health and Economic Opportunity on behalf of National Commander Dale Barnett and The American Legion; the country's largest patriotic wartime service organization for veterans, comprising over 2 million members and serving every man and woman who has worn the uniform for this country; we thank you for the opportunity to testify regarding the draft legislation regarding "Improving the authority for the Secretary of Veterans Affairs (VA) to hire and retain physicians and other employees of the Department of Veterans Affairs".

From the inception of The American Legion's System Worth Saving (SWS) Program in 2003, The American Legion has tracked and reported staffing shortages at every VA medical facility across the country and submitted those to Congress, VA Central Office (VACO), and to the President of the United States. Through numerous SWS hospital site visits, The American Legion has dedicated considerable resources to monitoring the Veterans Health Administration (VHA) healthcare system.

Unfortunately, there are no easy solutions for VA when it comes to effectively and efficiently recruiting and retaining medical staff to treat the growing number of veterans that are entering the VA healthcare system. The American Legion believes

¹ 1AResolution 311: The American Legion Policy on VA Physicians and Medical Specialists Staffing Guidelines

that access to basic health care services offered by qualified primary care providers should be available locally as often as possible. VHA is still currently struggling to achieve the appropriate balance of primary care and medical specialists across the country.

In 2004, The American Legion urged the VA 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 NA's. 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.^{1A²}

Due to the fact that one out of every three veterans treated by the VA lives in a rural area, The American Legion remains concerned with the problems rural veterans face due to a lack of access to qualified health care. As the number of veterans residing in rural communities increases, veterans will continue to struggle to find timely and quality VA health care that meets their individual health care needs. VA medical centers in rural areas have often expressed concerns in 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 System Worth Savings (SWS) Report on Rural Healthcare, The American Legion found that:

"[Department of Veteran Affairs Medical Centers (VAMCs)] 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." 1A³

In 2014, The American Legion published a 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.

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

In 2015, during our SWS site visit to the VA Medical Center in St. Cloud, Minnesota, providers expressed concerns about the number of physician vacancies, and how the additional workload is impacting morale at the medical centers. During the same visit, one veteran expressed concern noting "every time [I] visit the medical center, [I am] assigned a new primary care provider because [my] last provider either quit or transfer 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 their determination of the "Veterans Health Administration's Occupational Staffing Shortages," as required by Section 301, of the "Veterans Access, Choice and Accountability Act (VACAA) of 2014". With this report, VAOIG determined that the five occupations with the largest staffing shortages were Medical Officers, Nurses, Physician Assistants, Physical Therapists, and Psychologists. The OIG recommended that the "Interim Under Secretary for Health continue to develop and implement staffing models for critical need occupations." Ultimately, if the VA continues to struggle with retention and recruitment, the trend of closures (or continued closures) for multiple departments within VAMCs nationwide will continue.

As The American Legion continues to conduct System Worth Saving Site visits across the VA health care system, we see VA staffing shortages getting worse rather than improving.

Draft Legislation to Improve Hiring Practices at the Department of Veterans Affairs:

This draft bill aims to improve the authority for the VA Secretary to hire and retain physicians and other employees of the VA. Below is a section by section analysis of the draft bill as presented:

² 1AResolution No. 237: The American Legion Policy on VA Nurse Recruitment and Retention

³ 1AThe American Legion: 2012 System Worth Saving Report on Rural Health Care

Section 2: Appointment and Pay for Directors of Medical Centers and Veterans Integrated

Services Network (VISN)

Currently, Paragraph (4) of section 7306(a) of Title 38, United States Code (U.S.C.) states that the Office of the Under Secretary for Health shall consist of such Medical Directors as may be appointed to suit the needs of the Department, who shall be either a qualified doctor of medicine or a qualified doctor of dental surgery or dental medicine 1A⁴. Subsection (a) of this bill would add “or other qualified medical professionals.”

This subsection includes a new section in Title 38 U.S.C. Chapter 74, Subchapter IV “Pay for Nurses and Other Health-Care Personnel.” The new section, titled “Medical Directors and directors of Veterans Integrated Service Networks (VISN),” discusses elements of pay, base pay, market pay, requirements and limitations on total pay, treatment of pay, and ancillary effects of decreases in pay.

The American Legion supports legislation addressing the recruitment and retention challenges that the VA has regarding pay disparities among those physicians and medical specialists who are providing direct health care to our Nation’s veterans 1A⁵.

The American Legion supports this section.

Section 3: Adjustment of Hours Authorized for Certain Full-Time Employees of Veterans Health Administration

Currently, Section 7423(a) of Title 38, U.S.C., sets the hours of employment of Full Time Employees (FTEEs) to not less than 80 hours in a biweekly pay period 1A⁶. This section is a legislative request by the VA which would allow the Secretary to modify the hours that employees work within the Veterans Health Administration by changing the regulation to “be more or less than 80 hours in a biweekly pay period if the total hours of employment for such an employee does not exceed 2,080 hour per calendar year.”

The American Legion encourages and supports VA in providing extended hours and weekend appointments for both primary and specialty care at all VA medical facilities in addition to their regular hours of operation 1A⁷.

The American Legion supports this section.

Section 4: Public-Private Contributions for Additional Educational Assistance for Graduate Degrees Relating to Mental Health

This section allows the Secretary to pay 66 percent for the Yellow Ribbon Program under the Post-9/11 GI Bill for a graduate degree in the mental health field instead of “up to 50 percent” as is currently the case. The schools would then only be required to pay the remaining 34 percent as opposed to “an equal percentage.”

This increase is not going to apply to all people using the GI. Bill, as there are several particular requirements to qualify. In order to qualify the veteran would be required to already have a bachelor’s degree; be eligible for the Post-9/11 GI Bill and eligible for the Yellow Ribbon Program; and pursuing the degree with the intention of being a mental health professional for VA.

The Yellow Ribbon Program allows institutions of higher learning (i.e., colleges, universities, and other degree-granting schools) in the U.S. to voluntarily enter into an agreement with VA to fund tuition and fee expenses that exceed the tuition and fee amounts payable under the Post-9/11 GI Bill. It is well documented and understood that present and future labor shortages are in the healthcare field. It’s important to note - as the aging U.S. population causes the number of working-age adults to shrink - the demand for medical workers will certainly increase. Consequently, paired with the often high education and experience requirements needed to enter the job market - it has been a factor in the shortage in healthcare workers.

Based upon VA’s report, they’ve determined that the five occupations with the largest staffing shortages were Medical Officer, Nurse, Physician Assistant, Physical Therapist, and Psychologist. Without question there is a tremendous need for healthcare professionals, and something has to be done to deal with this shortage.

This increase in payment just might provide the right incentive for more schools to participate in the Yellow Ribbon Program and more student-veterans to potentially pursue employment within the healthcare field, which would lead to a greater percentage of potential employees in the healthcare industry. The healthcare industry is an attractive and high growth industry (includes good pay, benefits and mobility)—it’s a win-win for all of them and the VA.

⁴ 1A38 U.S. Code § 7306 : Office of the Under Secretary for Health

⁵ 1AAmerican Legion Resolution No. 101: Department of Veterans Affairs Recruitment & Retention-Sept. 2015

⁶ 1A38 U.S. Code § 7423: Personnel Administration; Full-Time Employees-2011

⁷ 1AResolution No. 251: Extended Hours and Weekends for Veterans’ Health Care-Aug 2014

The American Legion seeks and supports any legislative or administrative proposal that improves, but not limited to the GI bill, Department of Defense Tuition Assistance (TA), Higher Education Title IV funding (i.e., Pell Grants, Student Loans, etc) and education benefits so servicemembers, veterans, and their families can maximize its usage. 1A⁸

The American Legion supports this section.

Section 5: Modification to Annual Determination of Staffing Shortages in Veterans Health Administration

Currently, subsection (a) of section 7412 of title 38 U.S.C. requires the Secretary to publish in the Federal Register, the five occupations of personnel of this title of the Department covered under section 7401 of this title for which there are the largest staffing shortages throughout the Department as calculated over the five-year period preceding the determination 1A⁹. This section would modify the Veterans Access, Choice and Accountability Act, (VACAA) which required the VA Office of Inspector General (VAOIG) on an annual basis to determine the five occupations that have the highest staffing shortages. The VAOIG would now be required to conduct a review to evaluate staffing shortages within five clinical and nonclinical fields within each Veterans Service Integrated Networks (VISNs).

The American Legion encourages and supports the VHA leadership to conduct an internal review and develop an action plan to address VISN management, staffing and its current geographic boundaries/catchment areas for the purpose of providing veterans better and timely access to quality health care. 1A¹⁰

The American Legion supports this section.

Section 6: Repeal of Compensation Panels to Determine Market Pay for Physicians and Dentists

This section would replace subsection (c) paragraph (4) of Section 7431, Title 38 U.S.C. Paragraph (4) which determines the amount of market pay for physicians or dentists, with a system that would require the Secretary consult two or more national surveys of pay for physicians or dentists, as applicable, whether prepared by private, public, or quasi-public entities in order to make a general assessment of the range of pays payable to physicians or dentists. It also requires the Secretary to consult with and consider the recommendations of an appropriate panel or board composed of physicians or dentists.

The American Legion currently does not have a position on Section 6.

Section 7: Executive Management Fellowship Program

This would require the Secretary to select, each year, at least 18 but not more than 30 eligible Veterans Benefits Administration (VBA) and Veterans Health Administration (VHA) employees to participate in a one year fellowship with a private sector company or entity.

As it currently stands, VA has over half of their critical leadership positions either unfilled or filled in an interim role. Sending a portion of the workforce out of VA every year would only exacerbate this situation. If VA can afford to lose these personnel for an entire year then they don't need that position. The American Legion would rather see VA fill the positions they have and ensure there is a full workforce available to treat the needs of veterans.

The American Legion opposes this section.

Section 8: Accountability of Leaders for Managing the Department of Veterans Affairs

The VA has come under scrutiny by Congress, Veterans Service Organizations (VSOs), media, veterans, and the American public for their failures in leadership performance and accountability which resulted in numerous quality and patient safety issues, as well as patient deaths.

This section would add a new section following Chapter 7 of title 38, U.S.C.'s section 709 pertaining to Employment Restrictions. The new section, "Annual Performance Plan for Political Appointees," requires the Secretary to conduct an annual performance plan for each political appointee of the Department that is similar to the annual performance plan conducted for an employee of the Department who is appointed as a career appointee within the Senior Executive Service at the Department. This assessment would ensure the employee is meeting their goals with re-

⁸ 1AResolution 312: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Learning- Aug. 2014

⁹ 1A38 U.S. code § 7412: Annual determination of staffing shortages; recruitment and appointment for needed occupations-March 2016

¹⁰ 1AResolution 114: Department of Veterans Affairs Veteran Integrated Service Networks-Aug. 2014

cruiting, engaging and motivating employees, training employees, and holding each employee accountable for performance issues.

The American Legion urges Congress to enact legislation that provides the VA Secretary the authority to remove any individual from the Senior Executive Service (SES) due to performance and transfer those individuals to a General Schedule (GS) position without any increased monetary benefit. 1A¹¹

The American Legion supports this section.

Section 9: Modification to Veterans Preference

Veterans' preference is authorized by the Veterans' Preference Act (VPA) of 1944; it only applies to federal government employment. It provides that most veterans are to receive an extra five points (ten points for disabled veterans) in receiving and keeping federal jobs. The Veterans' Employment Opportunity Act (VEOA) of 1998 extended certain rights and remedies to recently separated veterans. A grateful nation created veterans' preference to ensure fair treatment for those citizens who served this country in the Armed Forces. The following recommendations are:

> IChange the service requirements to receive veterans' preference for Reservists and Guardsmen from 180 days of consecutive active-duty service to 180 days of cumulative active-duty service.

Based upon the high percentage of Reservists and Guardsmen that have honorably served as well as been deployed multiple times in the war against terror - their days of service should merit inclusion within veterans' preference criteria for 180 days of cumulative service.

> IExpand those to be considered "preference eligible" to include all retired service members, including those who retire above the rank of major or its equivalent.

In addition, approximately 250,000 service members leave the Armed Forces every year, of which 6.4 percent are Officers O 094 and above (6.4 percent equates to roughly 16,000 Officers O 094 and above). America shouldn't overlook the minority of high ranking officers who are ready to start a second career in public service. The lessons learned in the Armed Forces allow these individuals to provide a quality level of professionalism, expertise and patriotism within the structure of a federal agency who's seeking that kind of talent.

> IExpand veterans' preference to also apply to hiring individuals for the Senior Executive Service at VA.

The attributes that define a veteran employee, which include a strong work ethic, adaptability, organizational skills, team player, self-confidence, preparedness - are all things a leader needs to have in abundance. It only seems fitting that veterans applying for a Senior Executive Service position would receive veterans' preference.

Lastly, veterans' preference should play a large role in employing veterans and their spouses. Federal agencies need to make sure that their Human Resource personnel are properly trained to effectively implement veterans' preference. The federal government has scores of employment opportunities that educated, well-trained, and motivated veterans can fill given a fair and equitable chance to compete. Working together, all federal agencies should identify those vocational fields, especially those with high turnover rates, for transitioning veterans who are trying to continue their service within the federal government.

The American Legion restates its commitment to ensure that veteran preference is consistently and accurately applied in federal civilian recruitment, application, and hiring 1A¹².

The American Legion supports this section.

Section 10: Reemployment of Former Employees

This section would allow the Secretary to noncompetitively reappoint a qualified former employee to any position within the VA as long as the position is not more than one grade higher than what they received in their former position and as long as if they employee left VA voluntarily within the prior two years and has kept all licensures and credentials up to date.

The American Legion currently has no position on Section 10.

Section 11: Recruiting Database

This section would require the Secretary of VA to establish a single centralized database that lists all critical vacancies that are difficult to fill within VA. This database would contain information on qualified individuals who have applied previously for other positions within VA in which they have not been selected however,

¹¹ 1AResolution No. 30: Department of Veterans Affairs Accountability- May 2015

¹² 1AResolution 301- Enforcing Veterans' Preference Hiring Practices in Federal Civil Service: Aug 2014

would be qualified for another position within VA. The Secretary would be required to use this database to consider qualified applicants who have already applied for other positions within VA to fill prolonged vacancies.

The American Legion urges the VHA to continue to develop and implement staffing models for critical need occupations. 1A¹³

The American Legion supports this section.

Section 12: Human Resources Academy

This section would require Human Resources (HR) professionals within VA be trained in hiring Title 38 employees within VHA. These professionals will be adequately trained on how to best recruit and retain employees in VHA.

The American Legion currently has no position on Section 12.

Section 13: Promotional Opportunities for Technical Expert

This section would require the Secretary to establish a promotional track system for employees of the VA for technical experts without requiring them to take managerial positions if they choose to stay employed at VA.

The American Legion currently has no position on Section 13.

Section 14: Comptroller General Study on Succession Planning

This section would require the VA Comptroller General to conduct a succession planning study at each VA Medical Center (VAMC), Regional Office (RO), and National Cemetery (NCA). While The American Legion supports studies on VHA staffing, we currently do not have a position on staffing at the VARO's or at NCA.

The American Legion encourages and supports the VHA leadership to conduct an internal review and develop an action plan to address VISN management, staffing and its current geographic boundaries/catchment areas for the purpose of providing veterans better and timely access to quality health care. 1A¹⁴

The American Legion supports this section.

Section 15: Information on Hiring Effectiveness

This section requires VA to measure and collect certain information regarding hiring effectiveness. The American Legion continues to be concerned VA's hiring process is cumbersome and negatively affects VHA's ability to recruit and retain effective staffing levels in order to meet veteran's overall health care needs.

The American Legion urges the VHA continue to develop and implement staffing models for critical need occupations and that VA work more comprehensively with community partners when struggling to fill shortages within VA's ranks. 1A¹⁵

The American Legion supports this section.

Section 16: Employment of Students and Recent Graduates

This section requires VA to promulgate regulations to allow for excepted service appointments of students and recent graduates leading to conversion to career or career conditional employment of a student or recent graduate.

The American Legion has no position on Section 16.

Section 17: Exit Surveys

This section requires VA to request that employees voluntarily leaving VA service complete standardized exit surveys.

The American Legion has no position on this section.

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 legally permissible to ensure that veterans have access to the quality healthcare they have come to expect from VA. VA leadership needs to do more to work with community members and stakeholders.

Except as noted above, on balance there is a large amount of this proposed legislation which would have a positive effect on transforming VA to a more effective healthcare delivery system.

As always, The American Legion thanks the Subcommittees on Health and Economic Opportunity for the opportunity to explain the position of the over 2 million veteran members of this organization.

For additional information regarding this testimony, please contact Mr. Warren J. Goldstein at The American Legion's Legislative Division at (202) 861 092700 or wgoldstein@legion.org

¹³ 1AResolution 101- Department of Veterans Affairs Recruitment and Retention: Sept. 2015

¹⁴ 1AResolution 114: Department of Veterans Affairs Veteran Integrated Service Networks- Aug. 2014

¹⁵ 1AResolution 101:Department of Veterans Affairs Recruitment and Retention- Sept. 2015

Prepared Statement of Carlos Fuentes

Chairmen Benishek and Wenstrup, Ranking Members Brownley and Takano and members of the Subcommittees, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, 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 and other employees.

The VFW thanks you for recognizing that VA's ability to hire and retain high quality employees is equality as important as its ability to fire or demote employees who put veterans' lives at risk. The VFW agrees with many of the ideas included in the draft legislation being discussed today. However, we would like to share an idea that we hope the Subcommittees will consider.

Expedited Authority to Hire Frontline Health Care Staff

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 requirements 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, without the exemptions from competitive service requirements, 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.

The VA Canteen Service has the authority to bypass the USA Jobs process and hire employees through referral and traditional job search engines such as Monster, Indeed, and Career Builder. When it finds qualified candidates, the VA Canteen Service hires employees as contractors while they undergo the 30 0960 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 the Veterans Health Administration (VHA) similar authorities to quickly hire into high turnover positions at VA medical facilities.

Discussion Draft to improve the authority of the Secretary of Veterans Affairs to hire and retain physicians and other employees.

The VFW strongly supports efforts to expand VA's authorities to hire and retain high quality employees. This legislation takes a multifaceted approach towards achieving that goal. The VFW supports sections 2, 3, 5, 7, 8, 12, 14, 15, 16 and 17; does not oppose sections 6, 10, 11 and 13; has concerns with section 9; and opposes section 4.

Section 2 would ensure VA has the authority to properly compensate medical center directors. The VFW generally supports this section and has two recommendations to improve it. Director positions are hard to fill positions because they are responsible for overseeing hundreds of employees delivering care and services to thousands of beneficiaries. Such a charge requires proper incentives, such as market-based compensation, which this legislation would address.

However, VA must also have the leeway to quickly hire a qualified candidate when one is identified. The best qualified person for a medical center position may not be searching for a job on USA Jobs, and if VA identifies a qualified candidate it should not be required to have that candidate apply for an opening through USA Jobs. This legislation would also preclude directors from appealing a decrease in pay resulting from an involuntary reassignment in connection with a disciplinary action. While the VFW fully supports the reduction in pay of VA employees who have committed malfeasants, we believe such individuals have the right to due process. For that reason, we suggest the Subcommittees clarify that the reduction in pay is final

after the employee has been offered the opportunity to appeal the disciplinary action.

The VFW supports section 3, which would grant VA health care providers the ability to have flexible working hours that best suit the demand for health care by the veterans they serve. In response to the access crisis, VA has made a full-fledged effort to increase access for veterans who rely on VA for their health care needs. In the past year, VHA has increased clinic production by 10 percent, adopted best practices from the private sector, and increased the number of health care employees by more than 14,000. Yet, VA continues to face numerous challenges in meeting the growing demand on its health care system. One of those challenges is the statutory 40-hour work week limitation for title 38, U.S.C., employees. The VFW supports efforts to eliminate this access barrier and improve VA's ability to recruit and retain high quality health care professionals.

The VFW opposes section 4, which would amend the Yellow Ribbon Program to require VA to cover up to 66 percent of the full cost of an advanced degree in mental health care. The VFW is a strong advocate and proponent of the Yellow Ribbon Program and the Post-9/11 Educational Assistance Act, commonly referred to as the Post-9/11 G.I. Bill. The VFW also supports efforts to provide additional assistance for veterans who choose to advance their careers by obtaining a graduate or doctoral degree in mental health care. However, the VFW does not believe amending the Yellow Ribbon Program is the best option to do so.

The Yellow Ribbon Program was established to address the gap between the cost of tuition and fees associated with approved degree programs and the amount VA is statutorily able to cover under the Post-9/11 G.I. Bill. To supplement the Post-9/11 G.I. Bill, VA is authorized to enter into an agreement with educational institutions to cover up to fifty percent of such gaps, which may be up to tens of thousands of dollars. While the VFW agrees that increasing the percentage VA is statutorily authorized to cover under the Yellow Ribbon Program would incentivize educational institutions to establish Yellow Ribbon agreements with VA, it does not provide much incentive for veterans to obtain degrees in mental health care.

Furthermore, the discussion draft fails to ensure veterans have enough Post-9/11 G.I. Bill eligibility to complete their degree program. This is a particular concern for veterans who use their Post-9/11 G.I. Bill benefits to obtain a bachelor's degree and would like to participate in this program. Given that the Post-9/11 G.I. Bill is limited to 36 months of eligibility, it is unlikely that these veterans would have enough eligibility remaining to complete an advanced degree in mental health.

The VFW is a proponent of public-private partnerships, but believes this program would be better suited under VA's Health Professionals Educational Assistance Program (HPEAP). VA operates six different educational assistance programs under its HPEAP authorities, including a debt reduction program and several employee scholarships. One of those programs is the Visual Impairment Education Assistance Program, which was created by Public Law 111 09163, the Caregivers and Veterans Omnibus Health Services Act of 2010, to increase the supply of qualified blind rehabilitation specialists for the department and the nation.

This program authorizes VA to provide any person enrolled in a degree or certificate program in visual impairment or orientation and mobility up to \$45,000 to complete their educational program if they agree to serve as a full time VA employee after completing such program. The VFW urges Congress to consider a similar program that would authorize VA to cover the cost of a veteran's advanced mental health care degree, up to the post-9/11 G.I. Bill rate, for veterans who agree to serve as a VA mental health care professional.

Section 9 would amend veterans preference to ensure veterans who served in the Guard and Reserves 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 Reserves have been utilized much more than they have during past conflicts. However, not all Guard and Reserves 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. The VFW supports correcting this inequity.

Section 9 would require VA to comply with title 5 competitive service requirements when hiring Senior Executive Service (SES) employees. While the VFW supports applying veterans preference to the employment process for VA SES employees, we feel that Congress must streamline, not impede, VA's ability to hire qualified executives. That is why we recommend that the Subcommittees amend this section to exempt VA's SES employment process from title 5 competitive service requirement. To ensure VA hires qualified veterans as senior executives, Congress

should amend title 38 to ensure VA properly considers veterans when hiring SES employees.

Mr. Chairman, this concludes my testimony and I will be happy to answer any questions you or the Subcommittee members may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2016, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.

Prepared Statement of Carolyn Clancy, M.D.

Good morning Chairman Benishek, Chairman Wenstrup, Ranking Member Brownley, Ranking Member Takano, and Members of the Committee. Thank you for inviting us here today to present our views on the draft bill to improve the authority of the Secretary of Veterans Affairs to hire and retain physicians and other employees of the Department of Veterans Affairs, and for other purposes. Joining me today is Elias Hernandez, Chief Officer, Workforce Management and Consulting; Tia N. Butler, Executive Director, Corporate Senior Executive Management Office; and Kimberly P. McLeod, Associate Chief Counsel.

We are pleased to see the Committee include in the draft legislation, three of our legislative proposals which will give us the necessary resources to meet the Department of Veterans Affairs' (VA) obligation to provide timely, quality health care and benefits to Veterans. Due to the timing of the hearing, the VA is unable to provide views for sections 7, 9, 10, 11, 12, 15, 16, 17 as well as costs for section 4. These are currently being drafted and we will forward the remaining views and costs to you as soon as they are available.

Section 2, Appointment and pay for directors of medical centers and Veterans Integrated Services Networks

VA supports section 2 as the provision matches a proposal put forward in February 2016 in VA's Fiscal Year 2017 budget submission. VA believes that there are three primary factors that warrant a separate compensation system for Medical Directors and VISN Directors. First, existing pay compression within the current Senior Executive Service (SES) pay system and the closely proximate rates of pay for direct reports to Medical Center Directors and VISN Directors have resulted in declining Director applicant pools. Second, a high number of existing (an estimated 84 percent by FY 2018) Directors are or will soon be eligible for retirement. Third, private sector pay for health care leadership positions is highly competitive.

In addition, there are limited pay incentives for experienced Medical Center Directors and VISN Directors to voluntarily move to fill more demanding positions. Due to the SES pay compression between experienced Medical Center Directors and VISN Directors, the small pay raise, if any, that VHA is able to offer in a reassignment may cause the candidate to be disadvantaged financially. The most significant cost disparities occur due to housing costs and in some cases, higher tax rates (e.g., New York, California). With current executive pay authorities, a move for the good of the organization most of the time means a move to the financial detriment of Directors and their families. On average, it has taken over 6 months to fill Medical Center Director and VISN Director positions, with many being re-announced multiple times for positions in both rural and major metropolitan areas. The reluctance on the part of these senior leaders to relocate is understandable. It is imperative that VHA have the ability to implement pay to retain eligible leaders, reward mobility, and ensure knowledge transfer to the next generation of Medical Center Directors and VISN Directors. VA would request, however, that the section stating that the Medical Director and VISN Directors be a qualified doctor of any kind be removed from the bill. It is already difficult to recruit for these positions. This additional restriction would make it nearly impossible in some areas. VA estimates that enactment of section 2 would cost \$8.8 million in FY 2017, \$46 million over 5 years, and \$93.2 million over 10 years.

Section 3, Adjustment of hours authorized for certain full-time employees of Veterans Health Administration

Section 3 would allow VA to arrange flexible physician and physician assistant work schedules to allow for the hiring and full implementation of a hospitalist phy-

sician system and to accommodate the unusual work schedule requirements for Emergency Medicine (EM) Physicians.

VA supports increased flexibility for critical medical personnel. Hospitalist physicians and EM physicians specialize in the care of patients in the hospital, often working irregular work schedules to accommodate the need for continuity of efficient hospital care. VA believes that increased scheduling flexibility would align VA practice with the private sector, facilitating the recruitment, retention of emergency physicians and the recruitment, retention and operation of a hospitalist physician system at VA medical centers (VAMC). We understand that the Office of Personnel Management has some concerns with respect to certain of the bill's provisions. The Administration looks forward to working with the Congress and our agency partners to finalize language on these provisions. VA would request the language in section 3 (2) include the language of, "is not less than" in place of "does not exceed".

VA believes section 3 would be cost neutral in terms of impact on salaries as it merely authorizes flexibility in physician and physician assistant work schedules to allow for the hiring and full implementation of a hospitalist physician system and improvements in EM physician coverage and enhanced ability to recruit EM trained and experienced physicians.

LRD

Section 4, Public-private contributions for additional educational assistance for graduate degrees relating to mental health

Section 4 of the bill would also amend current section 3319 of title 38 to prohibit the use of transferred entitlement under the new program. If enacted, the amendments made by section 4 would apply to a quarter, semester, or term that begins on or after July 1, 2017.

VA supports legislation that would provide training and employment opportunities for Veterans; however, the Department has some concerns with this section of the bill. VA is not certain a change in the way VA and IHLs share contributions for specific degrees and programs would be beneficial. Under its current structure, the Yellow Ribbon Program is a remarkably successful program with nearly 2,000 participating institutions. During FY 2015, 49,905 students were beneficiaries of the program.

In order to implement section 4, VA would have to identify Post-9/11 GI Bill Veterans who are currently pursuing an advanced degree in mental health, determine their eligibility for the new program, and verify that each Veteran intends to seek employment with VA. This would create a significant administrative burden as the Long Term Solution (LTS), the system used to process Post-9/11 GI Bill payments, does not have the capability to issue varying Yellow Ribbon payments based on the type of program being pursued. Subject to the availability of funding, VA would need one year from the date of enactment to make programming changes to the LTS to support implementation of this section. In addition to LTS changes, the amendments made by section 4 would also require changes to the Comparison Tool, VA Online Certification of Enrollment (VA ONCE), and Web Enabled Approval Management (WEAMS) computer systems. Otherwise, manual processes would be required, which would result in a decrease in timeliness and accuracy for processing GI Bill claims.

Further, the amendments made by section 4 would authorize VA to establish residencies and internships at VA medical facilities for Veterans participating in the program. VHA has already established training programs in mental health disciplines in many locations. These programs lead to a degree, licensure, certification, or registration. The process to develop training programs requires relationships with accredited educational sponsors and suitable infrastructure for the training program, including space, qualified faculty preceptors, information technology (IT) equipment, staff support, and a sufficient number of patients to satisfy the needs of the educational program. Therefore, establishing residencies and internships must occur in settings with appropriate infrastructure and collaborative educational partnerships.

This bill also does not address the unique qualification standards of each of the professions that are listed in the bill. Each of the 14 professions/disciplines listed has unique qualification standards which must be met to be eligible for VA employment. For some of these professions (e.g. psychologist, social worker, mental health nurse, marriage and family therapist), the qualification standards include both educational accreditation as well as licensure requirements. Other professions listed (e.g. addiction therapist, vocational rehabilitation therapist) do not have educational or licensure requirements.

The Yellow Ribbon Education program allows for Veterans to attend mental health programs that do not meet the accreditation standards required in the VA

qualification standards. Thus, if an individual obtained a degree in those programs, that individual would not be eligible for VA employment.

For VA to support this bill, each of the professions listed that has educational/licensure requirements would need to have a provision that would state that the program meets the educational requirements defined by the VA qualification standards. Additionally, for some of the professions listed, even with such a provision, it may not be possible to guarantee VA employment (even if the educational requirements of the profession are met). For example, the Psychology Qualification Standards require that an individual have graduated from a program accredited by the American Psychological Association (APA) as well as have completed an internship accredited by APA. While the bill suggests that the Secretary may establish residencies and internships at medical facilities of the Department, the Secretary is not able to accredit these internships.

VA is still determining costs associated with this provision.

Section 5, Modification to annual determination of staffing shortages in Veterans Health Administration

Section 5, would amend 38 USC §7412 (a) to require the Inspector General of the Department of Veterans Affairs (VAOIG) to determine and the Secretary of Veterans Affairs to publish in the Federal Register, the five clinical occupations and the five nonclinical occupations of personnel of the Department covered under section 7401 for which there are the largest staffing shortages with respect to each Veterans Integrated Services Network (VISN) as calculated over the five-year period preceding the determination.

The VA defers to VAOIG on how they would process this report.

Section 6, Repeal of compensation panels to determine market pay for physicians and dentists

Section 6 would modify 38 USC § 7431 to eliminate the compensation panel recommendation process required under 38 USC §7431(c)(4)(B).

VA supports this section as it is similar to another proposal put forward in February 2016 in VA's Fiscal Year 2017 budget submission. The "Department of Veterans Affairs Health Care Personnel Enhancement Act of 2004" (Public Law 108 09445, dated December 3, 2004) established the current pay system for Veterans Health Administration (VHA) physicians and dentists. A requirement of the pay system that has proven to be of little or no value is the compensation panel process.

The current statute requires that the recommendations of a panel composed of physicians or dentists be considered when determining the amount of market pay for a physician or dentist. To the extent practicable, the panel must consist of physicians or dentists (as applicable) who are practicing clinicians and who do not hold management positions at the medical facility at which the physician or dentist subject to the consultation is employed. In most circumstances, this requires physicians or dentists to take time away from providing direct patient care in order to perform the unnecessary administrative function of recommending the amount of pay for prospective employees.

The compensation panel process is time consuming and adds no value as Medical Center Directors and/or other approving officials have the authority to approve (decide) the final rate of pay. Currently there are three separate reviews being conducted for VHA physicians and dentists prior to their appointment, to include: (1) a Professional Standards Board reviews the qualifications standards and makes a recommendation to appoint an individual tentatively selected for a position; (2) the compensation panel recommends market pay and annual salary for the provider; and (3) the Medical Staff credentialing and privileging committee reviews the provider's credentials and recommends medical staff clinical privileges.

As an example, a compensation panel may be required to convene to make a salary recommendation for two prospective physician candidates. At a minimum, three physicians would be required to meet to review a recommendation made by the selecting official or Chief of Staff, and complete the Compensation Panel review form. Using an average salary for a VA physician of \$218,237 (or \$104.92 per hour) in manpower hours it would cost \$52.46 per 30 minutes x 3 physicians, or approximately \$157 per compensation panel.

This may seem like a trivial amount but if you consider the number of times each medical center convenes a compensation panel, multiplied by the number of VA facilities across the country, the manpower cost of this administrative function is much more significant. In VA facilities with numerous physician and dentist vacancies, compensation panel members may be required to spend many hours a week meeting to deliberate and recommend salary for prospective employees. Market pay criteria and documentation on the Compensation Panel Recommendation and Ap-

proval form, VA Form 10 090432a, is time consuming and continues to be a challenge for clinicians.

This arduous process also contributes to a delay in hiring. A VA facility is often unable to convene a Compensation Panel on a timely basis because its members are unable to quickly meet due to patient care responsibilities. Physicians and dentists typically will not accept employment or give notice without a firm salary offer, and in cases where Compensation Panels are delayed, it pushes back the starting dates of new providers which also negatively impacts patient care.

It would be more cost effective and time efficient to allow a selecting official and/or Chief of Staff to recommend to the facility director the appropriate salary for prospective employees and eliminate the compensation panel process.

The VA believes this proposal to be cost neutral. Physicians and dentists will continue to be paid rates approved by the appointing official. This proposal will benefit VA by streamlining the appointment process.

Section 8, Accountability of leaders for managing the Department of Veterans Affairs

Section 8 would amend chapter 7 of Title 38 by adding in a new section 709A, which would require the Secretary to annually assess the performance of political appointees in a manner similar to the assessment of career Senior Executive Service employees.

Section 13, Promotional opportunities for technical experts

Section 13 would require VA to develop a promotional track, which does not involve a transition to a management position, for employees who are considered technical experts. VA is committed to ensuring that its employees are allowed to advance in their careers, regardless of whether the employee wants to be a manager. Consequently, VA supports this section.

Section 14, Comptroller General study on succession planning

Section 14 would require the Comptroller General to conduct a study on the succession planning at each medical facility of the Department of Veterans Affairs, the Veterans Benefits Administration and the National Cemetery Administration and submit it to the House and Senate Veterans' Affairs Committees not later than one year after the date of enactment of this Act.

The study would include: a determination of the mission-critical positions within the entity and the vacancy risk of such positions; an analysis of the future needs for mission-critical positions and gaps within the existing talent pool of the entity; a description of strategies to close skill gaps through the use of training for existing staff, targeted recruitment, and hiring; a plan to regularly evaluate progress of staff and update existing succession plans using clear and measureable metrics and benchmarks; a demonstration of the capacity of the entity to execute succession plans with successful succession management strategies; and any other matters Comptroller General determines appropriate.

VA defers to GAO.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. We would be pleased to respond to questions you or other members may have.

Statements For The Record

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Overview: AFGE strongly objects to Section 6 of this draft bill. It would destroy the critical market pay process established through strong bipartisan support twelve years ago when Congress enacted P.L. 108 09445 to ensure that VA provider pay would be competitive with other health care systems. More specifically, this bill would devastate the Department's ability to recruit and retain physicians and dentists through:

- IElimination of the requirement that the Secretary consult two pay surveys;
- IElimination of the requirement that the Secretary consider the recommendations of a panel of peers; and,
- IReturn of all market pay determinations to full Secretary discretion.

The VA desperately needs stronger market pay requirements, not a market pay process completely subject to Secretary discretion. Currently, the VA is losing large numbers of physicians and dentists because of broken pay policies, including: man-

agers who pay new hires \$20,000 or more than incumbents; managers who make pay promises to new hires that they break once the provider is on board; management's refusal to convene market pay panels every two years; and improper pay panel composition.

This provision would vastly increase the use of arbitrary pay policies against front-line providers in order to further management cronyism, discrimination against older physicians and other targeted groups and retaliation against vocal providers. The mean-spirited and arbitrary nature of this provision makes even less sense given that it appears to eliminate an important right for one group of providers while giving that identical right to VA directors!

Analysis of other sections:

Section 2(a): This subsection would expand eligibility for medical center director (MC) and Veterans Integrated Service Networks (VISN) director appointments to all qualified medical professionals. AFGE supports.

Section 2(b):

■ IThis subsection would extend part of the existing market pay process to MC and VISN directors. AFGE supports consideration of recruitment and retention needs for setting market pay for these positions and the requirement to adjust pay every two years. However, AFGE strongly recommends greater transparency in all market pay-setting processes (directors, and management and non-management physicians and dentists). More specifically, all employees and their representatives should have the same rights to request copies of survey data as was afforded to registered nurses by Section 601(j) of the Caregiver Act.

■ ISimilarly, all employees whose market pay is set by pay panels (which does not apply to directors under this bill) should have the right to request information about the composition of their panels.

■ IFrequency of market pay adjustments: Noncompliance with the current requirement to make market pay adjustments at least every two years is rampant. Directors are far more likely to get timely adjustments under this bill than front-line healthcare providers. Therefore, AFGE strongly urges the Committee to ensure that managers be held accountable for delays in convening market pay panels and implementing pay adjustments through performance measures and new requirements to report market pay adjustments to Congress. In addition, physicians and dentists deserve equal bargaining rights so they can challenge unfair and illegal pay practices. Therefore, AFGE urges the Committee to approve H.R. 2193, introduced by Representative Mark Takano (D 09CA). H.R. 2193 is a valuable recruitment and retention bill because it also equalizes rights to bargain over indirect patient care matters such as scheduling and assignments.

■ IPay decreases: This provision would deny directors all rights to appeal pay decreases. AFGE strongly opposes this provision. Such broad Secretary discretion will encourage abuse of discretion by officials seeking to harass, discriminate and conduct de facto terminations. Under current law, management and non-management physicians and dentists are protected to some extent against arbitrary market pay decreases as long as they stay in the same position. However, as already noted, non-management physicians and dentists have very little actual ability to challenge unfair and illegal pay actions because of unequal bargaining rights.

Section 3: This provision would provide flexible work schedules for most "pure Title 38" personnel. AFGE supports this provision. AFGE again urges passage of H.R. 2193 to ensure that every VA employee has an equal right to challenge unfair management practices related to schedules, assignment and other routine workplace matters.

Section 4: No comment.

Section 5: This provision would expand the annual staffing shortage determinations to include nonclinical occupations. AFGE supports.

Section 7: This provision would place Veterans Health Administration (VHA) and Veterans Benefits Administration (VBA) employees in private-sector executive management fellow programs. AFGE strongly opposes this provision. This is likely to be a costly program of little value. The skills required to be effective in the VBA and VHA workplace must be learned in-house using strong in-house mentors with sufficient time and skills, not private sector managers who have no experience with the VA's unique population, or its unique health care system and benefits programs.

Section 8: This provision would establish an annual performance plan for political appointees. AFGE supports.

Section 9: This provision makes it easier for reservists to earn veterans' preference by counting cumulative service. AFGE supports.

Section 10: This provision allows for noncompetitive appointments with significant pay increases for returning employees, subject to full Secretary discretion. AFGE strongly opposes this provision. Upper management is very likely to abuse this hiring authority to hire their own friends and pass over other qualified applicants using the competitive process. In addition, it will be very easy for managers and employees they favor to game the system by leaving the VA in order to return at a higher grade. VA managers already engage in far too much cronyism in both the hiring and pay processes.

Section 11: This provision would establish a single database of vacant positions. AFGE generally supports this concept but is concerned that veterans working in VHA will be harmed by any increase in Secretary hiring discretion. More specifically, Congress should more closely monitor the VA hiring process to ensure that all applicants have a fair chance to be considered under this single database. Congress should also enact legislation to close the harmful loophole in the Veterans Employment Opportunities Act that deprives Title 38 appointees of equal veterans' preference rights, allowing managers to pass them over for non-veterans in the hiring process. (Language to close this loophole was included in H.R. 2275 in the 113th Congress).

Section 12: This provision would establish a VHA training academy to improve human resources (HR) training. AFGE supports improved training for HR personnel who appear to lack critical skills in areas such as coding personnel actions, applying shift differential pay rules and determining the cope of Title 38 bargaining rights. However, as we have seen from the VBA academy training program, on-the-job training under strong mentors is also a critical component of any training process.

Section 13: This provision establishes a technical expert promotional track. AFGE supports.

Section 14: This provisions mandates a GAO study of succession planning. AFGE supports with the provision that researchers adequately consider the input of front line employees and their representatives who have unique insights into training, recruitment and hiring.

Section 15: This provision requires the Secretary to collect information on hiring effectiveness. AFGE generally supports more data collection but urges the Secretary to adequately consider the input of front line employees and their representatives who have unique insights into hiring. AFGE strongly opposes any increase in the use of special hiring authorities that adversely impact veterans' employment.

Section 16: This provision would increase the use of excepted service appointments for students and recent graduates. AFGE strongly opposes this as it is likely to adversely impact veterans' employment.

Section 17: This provision would improve and expand the Department's use of exit surveys. AFGE supports the use of exit surveys but will only support this provision if: (1) the Secretary adequately considers the input of front line employees and their representatives; and (2) the Secretary is required to share the survey results with employees and their representatives, veterans' groups and other stakeholders.

NATIONAL ASSOCIATION OF VA PHYSICIANS AND DENTISTS

Chairmen Benishek and Wenstrup, thank you for the opportunity to comment on your proposed 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 and for other purposes."

I am a practicing physician with more than 4 decades with the VA and the President of the National Association of Veteran Administration Physicians and Dentists usually referred to as NAVAPD.

I might add that I too am a veteran, having served for two years on active duty in the US Public Health Service.

The National Association of VA Physicians and Dentists (NAVAPD) is a 501(c)(6) nonprofit organization and is dedicated to improving the quality of patient care in the VA health care system and ensuring the doctor-patient relationship is maintained and strengthened.

NAVAPD believes that a key means of enhancing the care of the Veterans is by employing the best physicians and dentists. NAVAPD believes it is essential for health care providers to be involved in decisions regarding delivery and quality of care.

In the late 1960s and 1970s nearly all of the VA Medical Centers were led by Directors who were physicians and your draft legislation says Veterans Affairs Medical Center and Veterans Integrated Service Networks directors "may be appointed

to suit the needs of the department, who, to the extent practicable, shall be a qualified doctor of medicine or a qualified dental surgeon or other qualified medical professional". I strongly support this provision and suggest you consider eliminating "who, to the extent practicable".

Currently, in the VA, the single greatest impediment to recruiting and retaining physicians and dentists is the disenfranchisement and marginalization that many of the current physicians and dentists experience daily. Today, most VA physicians and dentists feel like their opinions are neither helpful nor requested. In many facilities, their suggestions are summarily rebuffed as inconsequential. At many centers, physicians and dentists are no longer even considered professionals but referred to as simply the "workers". These observations do not just come from NAVAPD leadership, but directly from our members, VA docs and dentists. Men and women who want to help improve "the system."

The proposed revisions to legislation regarding physician work hours would at least theoretically permit VA medical center leaders to unilaterally and dramatically alter a physician's tour indefinitely, and without any stated reason. Specifically, the provision which states "The Secretary may modify the hours of employment for employees in a position specified in any of paragraphs (1) through (6) of section 7421(b) of this title to be more or less than 80 hours in a biweekly pay period if the total hours of employment for such an employee does not exceed 2,080 hours per calendar year." appears to make it possible for physicians to be told they must work every weekend, or move to night or evening shifts, or have frequently changing tours. While all physicians recognize that in a medical emergency they must do whatever they can to protect patients and treat immediate medical problems, any involuntary change in their negotiated tour should be motivated by a bona fide emergency that demands the attention of a physician. It stands to reason that these circumstances should have defined endpoints in time and clearly articulated goals, and should include a general staffing shortfall (where the services needed could be provided by non-physicians). The authority proposed by this revision should be qualified by these stipulations.

Recommend the legislation clarify the 24/7 rule's original intent that it go into effect only if a national or state emergency is declared by either a Governor or the President. Currently the 24/7 rule is used as a threat by hospital directors and it should not be used to intimidate the physicians and dentists. It also appears to be used as a no-cost method of solving staffing shortages or operational problems. This is an inappropriate abuse of privilege to solve the consequences of poor management.

The following are - apart from the important matter of momentary compensation - key factors that are widely reported as undercutting physicians' performance and satisfaction.

1. Denigration of CME. It is quite apparent that the VA has little regard for the continuing professional education of its physicians. Despite the fact that the Physician Pay Law of 2004 stipulates financial support of CME, it is regularly reported that the process for a physician to make use of the \$1000 allocated for CME is so cumbersome, untimely and burdensome that many simply forego the education itself or in some cases pay out of pocket. Furthermore, the allocation is paltry in relation to actual, current CME costs. The Physician Pay Law uses the language "up to \$1000" to indicate that the maximum funding is \$1000 instead of the total cost of a much larger cost. Instead, hospital Directors have used this language to argue that they can provide any amount below \$1000. This is the opposite intent of the law, and further frustrates physicians.

One would think that the VA would see, as obvious, that the ultimate beneficiary of CME is the veteran-patient. Instead, the VA treats CME as an indulgence. The damage done is to the capability and morale of physicians as well as to patients. In, comparison with what the physician would have available in the private sector, it's hardly a recruiting tool; it is a disincentive to join or remain in the VA.

2. Ignoring the Federal Physician Pay Law/Ghost pay. The VA often acts as if there is no legal foundation of physician pay. There is. Physician Pay has three legally defined components: Base Pay, Market Pay, and Performance Pay.

In the Pay Law, performance pay is authorized up to \$15,000 per physician and appropriated for incentivizing physicians, but no one seems to know where it goes, and some do not even seem to know that it exists. Local Directors arbitrarily restrict performance pay to any level they wish. How? Funds are allotted to VISNs and then to facilities for performance pay, but only smaller amounts are dispersed. Where are the remaining funds?

Stipulated bi-annual market surveys and adjustments are skipped or ignored, market adjustments seem to go to "favored" staff members. Pay panels are assembled with pre-conceived performance pay outcomes. VA leaders at all levels (local,

VISN, Central Office) need to be pressured to bring pay management into conformance with the Pay Law. The Pay Law is law, not a suggestion.

Upper echelon VA management seems to think that continuing obscurity is the best way to handle this issue. In fact, however, what gets perpetuated is distrust and the sense that superiors are specially helping themselves and their friends with these funds. Transparency and behavior that is CONSISTENT with the Physician Pay Law are sorely needed.

3. Disrespect Disparity. In a private sector organization, no one would expect a staff person to treat a physician as just another "worker" nor expect that a physician would be without remedy when support personnel regularly fail to perform at a satisfactory levels. At VA facilities, a supporting employee - tech, secretary, etc. - sees his or her supervisor as the individual to be pleased, not the physician involved in patient care. Reports of this phenomenon are legion.

This will not be remedied unless personnel come to see that properly supporting the physician is of paramount importance - and this will not occur unless there is a system whereby the physicians can anonymously rate personnel, including their supervisors. A department head should be held to explain why any such ratings within the department are low.

Relatedly, there are many reports by physicians complaining that their time is taken up by basic secretarial work - a problem that would be much alleviated by making support staff concretely responsible to physicians rather than living in a parallel merit system controlled by a reigning supervisor. The VA has systematically shifted physician-roles to non-physicians while simultaneously encumbering physicians with more non-physician duties, such as filing reports. This disrespect for physician skills and roles starts at the top and filters down to all layers of the organization.

4. The HR problem. HR has too wide a variety of responsibilities and some basic conflicts of interest - which cannot be remedied within HR.

A key responsibility is to locate and intake needed personnel, particularly physicians. It is generally reported that the process is so slow and cumbersome that good recruits are routinely lost to other jobs. The draft bill proposes to offer education to HR personnel, but it does nothing to eliminate or streamline the requirements of the recruiting process that are the heart of the problem. The bill also needs to add accountability to the education. Lots of money is spent by the VA on educating HR personnel, but performance has not improved. This must change if VA is to turn its image around.

Another key responsibility is to process and resolve employee (including physician) complaints about their working conditions or treatment by co-workers or superiors, but HR is hopelessly conflicted. HR works for management, not the employees. It naturally sees its function as one of employee pacification, not employee support and assistance. Given the numerous employee-biased programs within the government, HR fears retaliation for assertive corrective action and thus is reluctant to challenge problematic employees.

Although the VA regularly issues declarations purporting to support employees' rights to challenge possible wrongdoing and inefficiencies, such declarations are toothless and largely ignored. There is a need to create a separate system - an ombudsman system, similar to the IG system where the ultimate authority lies outside the department - to process such employee grievances. There really is no other solution. Furthermore, this would free up HR to concentrate on other important functions, including recruiting.

5. Shedding Stupid Rules. There are numerous physician complaints about time being misused by VA requirements for TMS testing - essentially unrelated to their duties of patient care. There are also rules that obstructively interfere with the flexible management of physician time. For example, if a physician needs to make an arrangement to be away for several hours in an afternoon to take care of a non-VA problem he or she must take off the entire day as personal time - a rule that serves little purpose but to irritate. If the VA has a serious interest in retaining physicians by creating a benign working atmosphere, someone should be put in charge of weeding out noxious over-regulation.

NAVAPD supports:

- modification to annual determination of staffing shortages;
- reemployment of former employees;
- recruiting database;
- Comptroller General study on succession planning VA-wide (although don't know why you don't ask GAO to do it now rather than wait for enactment)
- promotional opportunities for technical experts;
- information on hiring effectiveness; and

- exit surveys.

While NAVAPD is largely focused on physician and dentist related issues, we cannot ignore issues that impact recruitment and retention of other critical professionals in the VA facilities. VA's ability to fully serve Veterans is also predicated upon sufficient levels of these personnel. Nursing is represented by its own unions and organizations, but other key professionals are not, and they are also critical to effective patient care. Many do not receive appropriate consideration of attractive pay and benefits to assure their recruitment and retention. We believe that arbitrary segmentation is counter to the need to attract and keep skilled staff. We believe that the Hybrid designation for many professionals (such as Respiratory Therapists) should be eliminated and these professions should be made full Title 38 employees with the obligations and benefits of that designation.

We applaud the intent of the Human Resources Academy but would recommend a review of the responsibilities of HR professionals and what could be consolidated/centralized so valuable time could be spent on recruitment/retention. The Department of Commerce is implementing a "shared service for HR processing department-wide" and leaving policy, professional training, hiring decision-making at operational unit level. NASA has a similar operational model.

Many of your provisions could be undertaken administratively by Veterans Affairs management if they had the political will. I am also including my recent statement before the Congressionally mandated Commission on Care in January.

Thank you again for inviting NAVAPD to provide our comments regarding your important draft legislation.

VETERANS AFFAIRS PHYSICIAN ASSISTANT ASSOCIATION

Chairman Benishek, Chairman Wenstrup, Ranking members; Congresswoman Brownley, Congressman Takano and other members of the House Veterans Affairs Subcommittees on Health and Economic Opportunity, on behalf of the entire membership of the Veterans Affairs Physician Assistant Association (VAPAA) we appreciate the invitation to submit this testimony for the record. We thank bipartisan members of this committee for critical legislation for Physician Assistant (PA) Workforce issues before you today in the VA System with sponsoring "Grow Our Own Directive: Physician Assistant Employment and Education Act of 2015." (S.2134) and (H.R. 3974) and we thank Congresswoman Ann Kuster for her leadership on this bill.

The Physician Assistant (PA) profession has a special unique relationship with veterans. The very first classes of physician assistants to graduate from PA educational programs were all former Navy corpsmen and Army medics who served in the Vietnam War and wanted to apply their knowledge and experience in a civilian role in 1967. Today, there are 199 accredited PA educational university programs across the United States and approximately 2,020 PAs are employed by the Department of Veterans Affairs (VA), making the VA the largest single federal employer of PAs. These PAs provide high quality, cost effective quality health care working in hundreds of VA medical centers and outpatient clinics, providing medical care to thousands of veterans each year in their clinics. Physician Assistants work in both ambulatory care clinics, emergency medicine, CBOC's in rural health, and in a wide variety of other medical and surgical subspecialties. 1A¹ 1A² In the VA system about a quarter of all primary care patients treated are seen by a PA 1A³. Approximately 32% of PAs today employed by VHA are veterans, retired military, or currently serving in the National Guard and Reserves.

The Veterans Affairs Physician Assistant Association (VAPAA) maintains that Physician Assistants are a critical component of improving VA health-care delivery, and have consistently recommended that VHA include them in all health-care national strategy staffing policy plans. Since our testimony last May, the VA has identified that both in VA OIG Reports, and VHA Succession Planning Committee that

¹ 1AWilliam Fenn, PhD, PA, Vice President, American Academy of Physician Assistants, Testimony before the United States Senate Committee on Veterans Affairs, Hearing on S. 1155, a bill to elevate the VA's PA Advisor to a full-time director of PA services in VA central office, (October 21, 2009)

² 1APhysician Assistant Education Association, Letter to Senate Majority Leader Harry Reid and Speaker of the House Nancy Pelosi (January 15, 2010) <http://www.paeonline.org/index.php?ht=a/GetDocumentAction/i/99520>

³ 1AAmerican Academy of Physician Assistants, Press Release (March 5, 2011) <http://www.aapa.org/news—and—publications/pa—pro—now/item.aspx?id=1917>

the PA occupation is in top five critical healthcare occupations with high retention and vacancy problems. However, since January 1993 when VA added the Title 38 GS 0913, Chief Grade more than 22 years ago, little else has been done for this critical workforce and hope that as these committees review changes to improve access to care for veterans and oversight on VHA strategy for its healthcare workforce that changes will be included to address these PA problems.

Civilian Growth Physician Assistant Profession

Forbes, US News & World Report, and New York Times articles all again named Physician Assistant occupation the single best master's degree for the third year in a row, citing the profession's favorable outlook for salary and long-term employment. The PA field was listed as one of the 50 best careers in 2014 due to increasing demand for health-care services, the impending retirement of baby boomers, and broader efforts to limit health-care costs. 1A²According to the US Bureau of Labor Statistics the PA profession is expected to grow by 30% from 2012 -2022

In early February, VA Secretary Bob McDonald and USH Dr. Shulkin testified about the challenges facing VHA in hiring employees. Secretary McDonald told the House Veterans Affairs Committee that he has personally visited dozens of colleges to recruit medical students, but that the people he talked to had the perception that the agency was intent on firing its employees. The VA also struggles to recruit medical personnel away from the private sector to come to the agency where they are likely to have a lower salary and be posted to less desirable, rural locations.

The VA hired 41,000 new employees last year, but that represented a net increase of only about 14,000 staff, or 4.7 percent of the Veterans Health Administration payroll, according to Secretary McDonald's prepared statement for the House VA Committee. The department said in an emailed statement early February that the VA has about a 9 percent turnover rate - which it said is better than an 18 percent turnover rate in the private sector.

VA officials said the current staffing shortage mirrors national trends in health care, where a study by the Association of American Medical Colleges predicted that the shortage of physicians could range from 46,000 to 90,000 in the next 10 years. 1A⁴

VHA Recruitment and Retention of Physician Assistants; Problems Continue to rise

Physician Assistants provide health care access for millions of veterans each year, VHA has not developed any strategic national plans to address the chronic 10% to 14% total loss rate, which is one of the highest of any profession in VHA - top five hard to recruit occupations. With the existing reported disparity in pay between PAs employed by the VA and the private sector market this problem continues to grow. For several years, The Independent Budget veterans service organizations (IBVSOs) along with American Academy Physician Assistants (AAPA), and Veterans Affairs Physician Assistant Association (VAPAA), have all recommended that Congress ensure the retention and recruitment problems for PA's be immediately rectified with new national targeted policy and programs for this critical occupation.

The VA Office of Inspector General (OIG) Report #15 0900430 09103, January 30, 2015; conducted a determination of Veterans Health Administration (VHA) occupations with the largest staffing shortages as required by Section 301 of the Veterans Access, Choice, and Accountability Act of 2014. VAOIG determined Physician Assistant, were 3rd compared to all other VHA occupations with the largest staffing shortages. 1A⁵ In addition to the VAOIG report the National Workforce Succession Planning 2015 - the data demonstrates the scope of the problems.

Data VHA National Workforce Succession Planning 2015

- In 2016 37% of VHA PA is eligible to retire. That is approximate loss of 600 Physician Assistants. By 2021 48% of VHA PA's are eligible to retire.
- 2014 - PA's had the highest Total Loss Rate of 10%; of the other top ten occupations.
- 2014 - 14.28 % VHA PAs left the VA due to Compensation (salary and benefits).

The PA workforce has grown far less than other physician extend positions within the VHA and little is being done about it; therefore, what should be a warning signal of serious retention and recruiting problems is being left to local VAMCs to

² 1A[2] US News and World Report, Best Careers 2011: Physician Assistant (December 6, 2010) <http://money.usnews.com/money/careers/articles/2010/12/06/best-careers-2011-physician-assistant>

⁴ 1A Secretary VA Budget Testimony February 2016 before House VA Committee on VA Budget

⁵ 1A VAOIG Report #15 0900430 09103, January 30, 2015 VA Health Care Critical Occupations Staffing

manage. Despite increasing discrepancy in salary levels, benefits, and education debt reduction programs between the civilian sector and the VAMCs often tells our members there is no problem. Currently Physician Assistants remain in an antiquated pay system with no competitive market survey resulting in a large pay disparity with the civilian sector. Last May I testified that the VA utilize the Nurse Locality Pay System surveys (LPS) allowing for annual market salary surveys aligning these professions within the VA with the private sector market. Inclusion of Physician Assistants into the Nurse LPS within Grow Our Own Directive H.R. 3974 will allow for salary adjustments so that the VHA can be competitive.

VAPAA is also concerned that the use of recruitment incentives within the VA is at the discretion of the hiring facility and is not standardized across the VA system. During 2012-2013 only 44 Physician Assistants have received \$319,074 in funding to further their education in comparison to Seven hundred five registered nurses seeking to become Nurse Practitioners receiving scholarship awards totaling over \$11,842,919 in support of NPs and NP programs. VA should implement recruitment and retention tools targeting Employee Incentive Scholarship Program by including PA as a hard to recruit occupation at the facility level to reflect WSP and OIG findings. Include Employee Debt Reduction Program funding to include PAs and make it available to all advertised PA vacancy announcements as EDRP cannot be issued unless it is advertised in the initial vacancy announcement. VISN and VA medical center directors must be held accountable for the failure to utilize these recruiting tools. Evidence of the problem from small sample of VAMC's reflecting lack of VHA controls on providing scholarships to PAs.

New Orleans Office the National Healthcare Recruiter, Workforce Management & Consulting VHA Healthcare Recruitment & Marketing said they have no Health Professional Scholarship Program (HPSP) funds of their own, so they are using funds provided by the VACO Office of Academic Affiliations to provide HPSP to nurses who want to be NPs. They have stated that these funds are not available to Intermediate Care Technician (ICTs) combat OIF OEF veterans, seeking to become PAs. The same office assured senior PA office representatives at the same time that they have EISP VANEEP/NEEI scholarship funds are available for VAMCs who request the funds.

Cincinnati VAMC has told their ICTs who asked for VANEEP for PA education that they have been "out of" VANEEP funds for the last 4 years. What exactly does that mean since the funds come from New Orleans? No VAMC funds the VANEEP locally.

San Diego VAMC told one of our ICT that they have "suspended" all scholarships and no support for PA students will occur.

The VAMC in Spokane told an ICT that PAs were not a critical occupation in the VA and that therefore she was not eligible for VA scholarship funds.

PAs then across the country find on USA JOBS web site and in VA news stories the following: Through its network of academic affiliations and sponsored programs, VA invests \$900 million annually to provide clinical education and training programs to approximately 120,000 health care trainees. Sixty percent of VA's psychiatrists, 70 percent of its psychologists and 35 percent of its social workers have previously participated in VA's training programs.

These committees must make certain that opportunities for required PA continuing medical education and training exist within the VA education programs. Physician Assistants provide high quality, cost effective medical care as they are held to the same standards of health care delivery as their MD/DO VA colleagues who are afforded a yearly stipend for continuing educations. PAs must maintain CME hours. Physician Assistants must recertify by examination every 10 years. In order to be competitive with the civilian sector, the VA must make certain that employees gain opportunities for required PA professional development and continuing education and training in support in maintaining a high level of professional competence.

Continued Delays in Hiring PA Employees

VAPAA has found since last May's hearing that whenever a PA employee leaves the VA system, VA acknowledges that it can take still six months to a year to fill one vacant position-assuming a viable pool of candidates is interested and available. When VA seeks to replace health care professionals, VA cannot compete with nimble private health care systems. The lengthy process VA requires for candidates to receive employment commitments and boarding continues to hinder the VA ability to recruit and officially appoint new employees.

Private health care systems can easily fill PA vacancies in a matter of days or weeks. While PA applicants may have noble intentions of working for the VA and serving veterans, many will forgo what could be a 4 to 6 month long waiting period and pursue timely employment opportunities elsewhere. For these reasons, we ask

Congress to carefully review VA appointment authorities, internal credentialing processes, and common human-resources practices to identify ways to streamline the hiring process. If VA takes months to fill its health care vacancies, VA will continue to fail the delivery of timely, quality care to our nation's veterans.

Members of HVAC and SVAC both introduced bipartisan legislation last October, providing for specific plans for Grow Our Own, asking that VA utilizing VHA provisions (Titles III and VIII of the newly enacted Veterans Access, Choice, and Accountability Act of 2014) to include the national VHA plans for expanding recruiting for new FTEE PA positions and for retaining an optimal PA workforce utilizing our recommendations below.

Department of Veterans Affairs "Independent Care Technician" (ICT) Program, One Solution to Support Transitioning Medics and Corpsmen OIF OEF OND into "Grow Our Own" to Physician Assistant Occupation

VAPAA points to another solution for meeting the healthcare workforce challenges in a recent pilot program. On October 26, 2011, the Administration announced its commitment to providing support to unemployed Post 9/11 combat veterans and it highlighted the PA profession as a prominent targeted career path for new returning veterans who had served as medics and corpsmen with combat medical skills similar to the history of returning Vietnam War veterans with these skills within the ICT pilot VA program at 19 VA sites. Under this initiative, the Administration promoted incentives to create training, education, and certifications of these veterans needing in transition to a civilian application of their military medical skills, being hired to work inside VA emergency departments, and has expanded into primary care, mental health, and surgery clinic positions. While these ICT veterans should be provided VANEEP, EDRP, EISP, and HPSP scholarships for entering accredited PA University programs they are being told by local facilities they have no funds for them, only for Nursing Educational programs.

The VA has an excellent opportunity to facilitate and coordinate "Grow Our Own" combat medics, Corpsmen, or Air Force paramedics to transition to the physician assistant occupation. However the (ICT's) currently in the Grow Our Own VA program are being frustrated by statements they should not expect scholarships from VA, and there is lack of VHA policy language directing VAMCs to ensure educational support of these combat veteran PA program candidates, assisting them in admission to accredited PA university Master's programs with targeted scholarships for PA Education. Ten former OIF OEF combat veterans already enrolled in University PA program in Tennessee are told they will not be eligible for scholarships.

The VAPAA is concerned over this ICT program started in 2012, reported to be expanding to more full time ICTs. The continued lack of use of recruitment educational incentives within VHA and having it left at the discretion of the local hiring facility is setting up further frustration across the VA system with the lack of VHA scholarships for the critical PA occupation. The Office of VA Healthcare Retention and Recruitment and the VAMC's participating in the pilot ICT program have no dedicated VHAS support to transition them into PAs in the Employee Incentive Scholarship Program (EISP) or EDRP. The barriers to PA recruitment and retention will continue unless congressional members provide oversight, VHA must ensure that employee incentive programs, such as the EISP and the VA Employee Debt Reduction Program are made consistently available to all critical healthcare workforce PA vacancy announcements and utilized in ICT the program. VISN and VA medical center directors they must be held accountable for the failure to utilize these recruiting tools.

The ICT Program establishment and expansion was authorized by the SEC VA in March 2015. The program expansion will increase ICTs in the VA from the original 45 by hiring 234 more ICTs. Hiring the additional 234 ICTs has been left to the discretion of the Facility Directors of individual VAMCs.

Between March 2015 when the ICT expansion was approved and March 2016, less than 6 of the additional 234 ICTs have actually been hired by the VA. VHA was supposed to develop a national VA veteran employment program targeting OIF OEF combat medics and corpsmen that is being managed by local VAMCs with little oversight from VHA or VISN Directors.

Critical Workforce Occupations:

VA's mission statement for human resources is to recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families. VA identifies specific occupations as "critical occupations" based on the degree of need and the difficulty in recruitment and retention. There are 3 types of primary care clinical providers within the VA that provide direct patient care - Physicians, Physician Assistants and Nurse Practitioners. Physicians have mandated yearly market pay survey. Nurse Practitioners, by virtue of being a nurse, are under the mandated yearly RN LPS.

PAs in few facilities fall under Special Salary Rates; however, this is NOT mandated yearly. Some facilities have not performed a special salary survey for 11 years, resulting in the reporting in the VISN 2014 0915 Workforce Succession Plan - 12 out of the 21 VISNs (88 VA main facilities) reported the reason that their VISN cannot hire PA's is because they cannot compete with the private sector pay. Some VAMCs have refused to pursue steps to solve the current retention problems for PAs.

Recommendations: We ask that both committees recognize the advantages to the Recruitment and Retention of Physician Assistant (PA) Workforce in the VA System by supporting enactment and supported by the veteran service organizations at the November 18, 2015 hearing on S. 2134 and call attention the VHA witness Dr. Carolyn McCarthy testified in favor of this legislation 'Grow Our Own Directive: Physician Assistant Employment and Education Act of 2015.' (S.2134) and (H.R. 3974)

HR 3230 - Veterans Access, Choice, and Accountability Act of 2014 directs the Secretary, under the VA's Health Professionals Education Assistance program, to give scholarship priority to applicants pursuing education or training towards a career in a health care occupation that represents one of the five largest staffing shortages.

The measure used under the Choice Act- OIG Top 5, prevents PA eligibility for EISP scholarship funds, as EISP - VANEPP, NEEI (VHA handbook 1020) conveniently only recognizes local facility workforce succession planning and ignores the OIG top five.

To prevent local nursing bias, include PA at all facility level to reflect WSP and OIG findings as a hard to recruit occupation as this is the qualifying factor for EISP funding - VANEPP/NEEI

In VHA Handbook 1020 - Employee Incentive Scholarship Program (EISP) Procedures: includes a priority protocol for nursing only scholarship funds, (1) applicants enrolled in academic programs which provide the minimum education for entry level in to the occupation RN to BSN, (2) RN to Master's degree program (NP), (3) RN to doctorate (NP), and (4) RN to a degree related to their occupation.

Include PAs in the hierarchy for funding allocations for EISP - VANEPP, NEEI scholarship funds. Include medicine - Designated Learning Officer (DLO) a part of the local facility selection committee for applicants.

Include EDRP in all PA job postings.

Include targeted scholarships for the ICT program OIF OEF Grow Our Own returning veterans, and mandate VHA shall appoint PA ICT program director to coordinate the educational assistance necessary and be liaison with PA university programs.

H.R. 3974 would direct new Physician Assistant director position to work within the National Healthcare Recruiter, Workforce Management & Consulting VHA Healthcare Recruitment & Marketing Office. This position then can develop targeted recruiting plans with 187 PA programs, working in a way that the local Human Resource Officer (HRO) often will not due to lack of staffing. The VA employed PA national Healthcare Recruiter would develop improvements in finding qualified candidate in a matter of days not months. VHA must incorporate new PA consultant manager into this National Healthcare Workforce program office.

Conclusion:

Chairman Benishek and Chairman Wenstrup, and Ranking member Brownley and Takano, other members of HVAC committee as you strive to ensure that all veterans receive timely access to quality healthcare and as you build increased capacity for delivery of accessible high quality health care, and demand more accountability into the VA health care system, I strongly urge the full Committee to review the important critical role of the PA profession and ensure legislatively that VHA takes immediate steps to address these longstanding problems and continue to work with VAPAA in supporting our nation's veterans.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

Veterans Affairs Physician Assistant Association

The Veterans Affairs Physician Assistant Association (VAPAA) does not currently receive any money from a federal contract or grants. During the past six years, VAPAA has not entered into any federal contracts or grants for any federal services or governmental programs.

VAPAA is a 501c (3) nonprofit membership organization.

NURSES ORGANIZATION OF VETERANS AFFAIRS

STATEMENT OF SHARON JOHNSON, MSN, RN 09BC, PRESIDENT

Chairman Benishek, Chairman Wenstrup, and Members of the Subcommittees on Health and Economic Opportunity, on behalf of the nearly 3,000 members of the Nurses Organization of Veterans Affairs (NOVA), I would like to thank you for the opportunity to submit testimony on today's draft legislation to Improve the Authority of the Secretary of VA to Hire and Retain Physicians and other Employees of the Department of Veterans Affairs.

NOVA is a professional non-profit organization for registered nurses employed by the VA.

NOVA appreciates the opportunity to provide our input and, as nurses who make up one third of the VA workforce, we will highlight areas of concern that are pertinent to our mission.

While overall we appreciate the intent of the bill and support any activities that will improve how VHA hires, retains and recruits its workforce, the bill as written, does very little to affect nursing personnel and the staffing shortages being felt nationwide.

For example, Section 2, paragraph 4 states that the Medical Director should be a doctor or other qualifying medical professional. NOVA believes that this minimizes the expertise of those professionals who are trained in healthcare and administration and limits flexibility in hiring within these leadership positions.

Section 2 (7) (D) for clarification, mention is made of "Advanced Degree in Mental Health" and line 18 has Nursing Assistant. Nursing Assistants have no degrees and perhaps this was inserted in error.

Section 3 - Adjustment of Hours Authorized for Certain Full-Time Employees of VHA implies that any hours can be worked to meet the biweekly pay period of 80 hours with a cap at 2,080 in a calendar year. NOVA has concerns that payroll and human resources systems will not be able to manage this change unless IT software is rebooted and HR staff is trained to meet this change.

NOVA applauds Section 5, which would clarify staffing shortages and include clinical as well as non-clinical personnel as needed.

NOVA has no comments on Sections 6 through 9 of the Draft Bill.

Section 10 - Reemployment of Former Employees.

While NOVA appreciates the need to recapture former employees to help with staffing shortages within VA, for RN appointments, the grade is based on the Nurse Qualification Standards so the employed candidates would need to meet those standards. The scope is different for each grade. A reemployed candidate may not meet the qualifications for the next higher grade. And while it may be competitive, it could also be inequitable for those already employed using qualification standards under the accepted service position.

Section 11- Recruiting Database.

It is unclear to us how a national data base will work and what the expectation is. Problems often arise with national databases unless there is a short time period that applicants remain "active (i.e. 30 or 60 days) within the system and effective management of the database is provided. Good candidates would be scooped up quickly or will get other offers outside VA. For positions identified as mission critical, there should be greater pay flexibility built in to be competitive and attract candidates to those positions. For example, if an engineer or HR Specialist is a mission critical occupation and there are no hiring flexibilities, it will not help if they leave to go to other agencies or the private sector for more pay or higher grades.

Section 12 - Hiring Academy.

Retention of HR Specialists is of concern to NOVA. While an HR Academy is a noble idea, unless the workload and ineffective systems under HR are addressed, a high vacancy rate and ongoing retention issues will continue to be a concern. We also add that there should be something more specific that defines the appropriate training milieu based on the complexity of HR, such as face to face training when needed, and ensuring funds for travel are appropriated to continue providing effective training for all HR staff.

Section 13 - Promotional Opportunities for Technical Experts.

NOVA applauds this section and recognizes that technical experts need to be able to obtain promotions without having to leave their roles and pursue a managerial position.

Section 14 - Comptroller General Study on Succession Planning. NOVA has no issues with this section.

Section 15 - Information on Hiring Effectiveness.

We appreciate a system to track use and impact of hiring authorities and flexibilities. NOVA has already testified that there is a knowledge gap in hiring authorities and flexibilities within HR. We also applaud the inclusion of a process for tracking satisfaction and timeliness of the hiring process.

Section 16 - Employment of Students and recent Graduates.

NOVA supports the allowance of excepted service appointments and recent graduates. NOVA is an advocate of staff developmental opportunities such as internships and residency programs.

Finally, Section 17 looks to standardize the process for exit interview surveys, which is critical in measuring and identifying any common themes so that action could be taken as well as assisting in identifying opportunities for improving the workforce environment within VA.

In summary, NOVA supports all efforts directed towards the retention, as well as recruitment for the VHA's largest workforce. Reviewing and enhancing nurse pay to be competitive with community and private sector standards; removing the cap from nurse pay scales to enable current employees to apply for critical leadership positions and increased support with monies for travel and education for nursing staff would go a long way in enhancing the VA as the employer of choice for healthcare professionals across the nation.

Staffing methodology should be the accepted and supported mechanism for all facilities that VACO supports to determine nurse staffing, as well as having the Chief Nursing Officer at the table when patient care decisions and planning is made.

Once again, NOVA thanks the Committees for the opportunity to submit testimony and we would be happy to assist with adding language in the bill to accommodate and revise any of the issues mentioned in our testimony.

Statement on Receipt of Grants or Contract Funds: Neither Ms. Sharon Johnson, nor the organization she represents, the Nurses Organization of Veterans Affairs (NOVA), has received federal grant or contract funds relevant to the subject matter of this testimony during the current or past two fiscal years.

MERRITT HAWKINS

TRAVIS SINGLETON, SENIOR VICE PRESIDENT

Overview:

We would first like to thank Dan Benishek, M.D., Chairman of the Committee of Veterans' Affairs Subcommittee on Health, and Brad Wenstrup, Chairman, Subcommittee on Economic Opportunity, for the opportunity to submit this statement of record concerning draft legislation to improve the ability of VA healthcare facilities to effectively recruit and retain qualified physicians and other employees.

Merritt Hawkins is the largest physician search and consulting firm in the United States, carrying out over 3,100 physician and advanced practitioner search assignments annually for healthcare facilities located in all 50 states. Established in 1987, Merritt Hawkins is a company of AMN Healthcare (NYSE: AHS), the largest healthcare staffing organization in the country and the innovator of healthcare workforce solutions.

Over the course of 27 years of providing physician search services to the healthcare industry, Merritt Hawkins has worked with VA healthcare facilities in all regions of the country. Most recently, we have partnered with VA facilities on physician or advanced practitioner search assignments at VISN 20, VISN 4, VISN 16, VISN 23, VISN 1, and VISN 20. We are currently the only permanent placement physician search firm that has a GSA number and is listed on 738X.

In addition, we have worked with hundreds of other government sponsored or supported healthcare facilities where the physician recruiting dynamics are similar to those typically present at VA facilities. These include numerous Federally Qualified Health Centers (FQHCs), Indian Health Service (IHS) facilities, and Department of Defense facilities.

In December, 2015, Merritt Hawkins submitted a Statement of Record for a roundtable discussion regarding how to improve the ability of the Department of Veteran's Affairs to efficiently and effectively recruit and retain high quality physicians and other employees. Based on our knowledge of physician staffing and physician practice patterns, Merritt Hawkins' president, Mark Smith, was invited in July, 2012, to provide testimony before the House Committee on Small Business on the decline of solo and small physician practices.

In addition to our work with VA and other government sponsored facilities, Merritt Hawkins has worked with thousands of private sector healthcare systems, community hospitals, academic centers, medical groups, urgent care centers, retail clinics, and other facilities. We therefore have an extensive background from which to draw in comparing the best physician recruiting practices of government facilities, such as the VA, to those of a wide range of other facilities in the private sector.

We will make such comparisons further in this statement but will first briefly address prevailing conditions in today's physician recruiting market.

Medical Professional Recruitment: Market Context

In the previous Statement of Record Merritt Hawkins submitted to the Subcommittees in December, 2015 we outlined prevailing physician recruiting market conditions in today's rapidly evolving healthcare system. We will not repeat this entire discussion here, but will state that both the government and the private healthcare sectors are challenged by prevailing physician shortages which are projected to worsen.

The Association of American Medical Colleges (AAMC) projects a shortage of up to 91,000 physicians by 2025 (see The Complexities of Physician Supply and Demand, Association of American Medical Colleges, March 2015). The shortage is being driven by a growing and aging population, advances in medical technology, and the increased availability of health insurance through the Affordable Care Act. Fueling the shortage is the fact that residency training positions for medical graduates have grown only incrementally over the last 18 years, as federal funding for physician training was capped by Congress in 1997.

The effect of these shortages is apparent in Merritt Hawkins' 2014 Survey of Physician Appointment Wait Times and Medicaid and Medicare Acceptance Rates. The survey examines the time needed to schedule a new patient appointment in five medical specialties in 15 major metro markets

The chart below shows average wait times to schedule a new patient appointment with a family physician in the 15 metro markets examined in the survey:

Wait Time in Days to Schedule a New Patient Appointment With a Family Physicians in 15 Metro Markets

City	Shortest Time to Appointment	Longest Time to Appointment	Average Time to Appointment
Boston, 2014	12 days	152 days	66 days
Boston, 2009	6 days	365 days	63 days
New York, 2014	14 days	38 days	26 days
New York, 2009	6 days	61 days	24 days
Atlanta, 2014	1 day	112 days	24 days
Atlanta, 2009	3 days	21 days	9 days
Seattle, 2014	3 days	129 days	23 days
Seattle, 2009	2 days	14 days	8 days
Philadelphia, 2014	1 day	98 days	21 days
Philadelphia, 2009	3 days	15 days	9 days
Los Angeles, 2014	1 day	126 days	20 days
Los Angeles, 2009	1 day	365 days	59 days
Houston, 2014	1 day	178 days	19 days
Houston, 2009	1 day	29 days	17 days
Denver, 2014	1 day	62 days	16 days
Denver, 2009	1 day	45 days	14 days

Wait Time in Days to Schedule a New Patient Appointment With a Family Physicians in 15 Metro Markets—Continued

City	Shortest Time to Appointment	Longest Time to Appointment	Average Time to Appointment
Detroit, 2014	1 day	74 days	16 days
Detroit, 2009	3 days	31 days	14 days
Wash., D.C., 2014	1 day	62 days	14 days
Wash., D.C., 2009	3 days	365 days	30 days
Portland, 2014	3 days	45 days	13 days
Portland, 2009	3 days	16 days	8 days
Miami, 2014	1 day	56 days	12 days
Miami, 2009	1 day	25 days	7 days
Minneapolis, 2014	1 day	30 days	10 days
Minneapolis, 2009	2 days	23 days	10 days
San Diego, 2014	1 day	17 days	7 days
San Diego, 2009	1 day	92 days	24 days
Dallas, 2014	1 day	10 days	5 days
Dallas, 2009	1 day	27 days	8 days
Total, 2014	2.87 days	79.3 days	19.5 days
Total, 2009	2.47 days	99.6 days	20.3 days

As these numbers indicate, average family physician appointment wait times exceed 14 days in ten of the markets, and equal or exceed 21 days in five of the markets. In other markets with fewer physicians per capita, it is likely that wait times may be more protracted. It is therefore not just VA patients who are experiencing protracted physician appointment wait times.

Today, a proliferating number of sites of service are competing for a limited pool of physicians, PAs and NPs, as healthcare delivery transitions from a hospital based model to an outpatient and “convenient care” based model. Thousands of urgent care centers, ambulatory surgery centers, retail clinics, FQHCs, free-standing emergency rooms, major employers, and insurance companies are actively recruiting physicians, along with more traditional types of employers, including hospitals, hospital systems, academic medical centers, and government facilities such as the VA.

The type of physicians that VA facilities historically have been able to recruit, including active military and former military physicians, are increasingly being contacted and recruited by a wide range of private sector facilities.

Due to this competitive climate, it is important for healthcare facilities to have a strategic recruiting plan, to accurately forecast their needs, to be nimble and responsive, to offer competitive incentives, an attractive work environment, and, of most importance, to bring a consistent sense of urgency to the recruiting process.

VA Facility Recruiting Methods and Challenges

In Merritt Hawkins’ 2015 Statement of Record referenced above we outlined various physician recruiting challenges faced by VA facilities.

To recap, the first and most challenging is the recruiting process itself, as administered by the various VA facility human resource departments. A sense of urgency and the ability to be agile is critical in today’s physician recruiting market.

Physician candidates being sourced by the VA typically also are receiving job offers from many other organizations. The great majority of VA facilities with which we work are handicapped by the prolonged time needed to process candidates who have been selected for VA employment through security and other bureaucratic requirements. Processing times at VA facilities to receive clearance on hiring can-

didates often can run as long as six months. By contrast, efficiently run private hospitals typically turnaround the same level of paperwork in no longer than four weeks. In the private sector, this process often occurs concurrently with the recruiting process.

These waiting times do not include the process required to approve candidate interviews before a job offer is made. The process to approve candidate interviews may be channeled through four or five individuals who have a variety of duties and may not appreciate the urgency of approving physician interviews quickly. In Merritt Hawkins' experience, it may take up to three months to schedule two to three interviews for the same position. It also may be difficult for candidates to submit required information, and their applications may be rejected for lacking certain basic information without the candidate's knowledge. They simply do not hear back and assume they did not get the job.

In recent physician recruitment efforts in Alaska that Merritt Hawkins conducted on behalf of the VA, we were successful in placing 10 physicians in the Wasilla, Anchorage and Fairbanks areas. All ten physicians accepted offers with the VA but the contract approval process was so protracted and laborious that nine of the ten physicians withdrew from consideration.

A key part of the problem in Merritt Hawkins' experience is that VA facilities tend to follow the same recruiting process for all types of personnel. The same HR systems and processes used to recruit an administrative support position are used to recruit a neurosurgeon, though the urgency of recruiting a neurosurgeon may be considerably greater than the urgency of recruiting other positions. As a third party, Merritt Hawkins is unable to contact VA HR personnel to help facilitate interviews or help ensure candidates have the information they need to make a decision. Moreover, the same person at the VA managing the recruitment of administrative personnel also may be managing the recruitment of highly trained medical professionals, despite the fact that the skill sets required for these two disparate tasks vary considerably.

Without an efficient, timely method for screening, credentialing and responding to candidates, the VA is losing well qualified and motivated physicians and other professionals to employers who do have such systems in place.

This is particularly unfortunate as the VA offers a style of practice that is appealing to many of today's physicians. The VA typically offers set hours, generous vacation times, the security of government employment, an absence of reimbursement and other practice management challenges physicians face in the private sector, freedom from the stress of malpractice, a rewarding sense of mission and various attractive locations. Many physicians are not aware of this, as a stigma about VA practice still is prevalent among some doctors, but these perceptions can be overcome. Indeed, none of the key physician recruiting challenges facing the VA are related to an inability to persuade candidates to accept VA employment. The key challenges lie in candidate sourcing and processing.

Compensation and Incentives

It also may be necessary for the VA to allocate resources to enhance physician compensation packages. In the private sector, base salaries for primary care physicians, including family physicians and internists, average approximately \$200,000, not including signing bonuses, production bonuses, relocation allowances, and benefits. At VA facilities, compensation for primary care physicians varies, but can be considerably less than what is common in the private sector. In addition, due to VA policies, it often is difficult to be clear with candidates regarding the level of compensation being offered. Primary care salaries may start with a baseline of \$70,000, which immediately creates a negative impression, then move up base on merits, but obtaining clarity on compensation often is difficult.

When an offer is made, there are many logistical obstacles in place before an offer letter or other documentation confirming the offer/terms can be obtained, which can undermine the process.

While VA physician salaries may never equal those to be found in the private sector, and it is not necessary that they do so given the other incentives the VA can offer, it is important that they at least be competitive in today's evolving physician market. It also is necessary to communicate effectively to candidates that VA opportunities have advantages that make them attractive even if salaries are not always commensurate to those in the private sector.

Statement Regarding the Draft Bill

The draft legislation to improve the authority of the Secretary of Veterans Affairs to hire and retain physicians and other employees dated February 26, 2016 includes

new language that appears to address some of the VA's physician recruiting challenges cited above.

In particular, Section 15 (B) "Information on Hiring Effectiveness" includes language that addresses the need for "special hiring authorities and flexibilities to recruit most qualified applicants." Though these authorities and flexibilities are not defined, we take this language to mean appropriate personnel at the VA will be given the authority to reduce candidate processing times and needed clearances and possibly reduce the number of individuals who now currently vet physician candidates. We see increased flexibility in VA recruiting processes as an essential step in allowing the VA to become more nimble in response to a market where physicians are receiving multiple job offers and commonly move on if not communicated within a timely manner.

We also believe the language in Sec. 15 (G) authorizing the capture of data regarding "the length of time between the date on which a first offer of employment for a position is made and the date on which a new hire starts in the position" is constructive. This will allow the VA to track its relative success in reducing candidate processing times and increasing process flexibility and effectiveness.

Similarly, Sec. 15 (I) in which the legislation mandates that the VA track "the number of offers accepted compared to the number of offers made for permanent positions" may have the constructive outcome of allowing the VA to measure its recruiting success internally and compared to private sector standards. Tracking this data should help determine whether the VA is, in fact, becoming more nimble in its candidate vetting processes and therefore securing a higher percent of candidates to whom it has made offers.

Further positive new language is included in Sec. 15 (3) in which the VA is charged with tracking the "Satisfaction of employment applicants with the hiring process including user-friendliness of the application process, communication regarding status of application, and timeliness of hiring decision." Tracking this data will further allow the VA to determine if it is streamlining its processes and identify barriers that may be preventing it from doing so.

New language in Sec. 14 regarding a "General Study on Succession Planning" also may prove useful in requiring VA facilities to be more proactive in their physician recruiting, anticipating needs and marshalling the resources needed to address them on the front end. This strategy has proven effective for many of the private sector healthcare facilities with which Merritt Hawkins works.

Not currently addressed in the draft legislation is the need to reassess physician compensation amounts and structures in order to put VA facilities on a more equal footing with the private sector facilities with which they compete.

In addition, language may be needed to more clearly define the VA personnel assigned to the task of physician recruitment and their required training. In today's market, "physician recruiter" is a specialized position and the great majority of private sector hospitals (excluding some Critical Access Hospitals) use both in-house physician recruiting personnel dedicated to that activity and outside resources such as recruiting firms like Merritt Hawkins. The skill set and knowledge level needed to recruit physicians, as noted above, is different from those needed to recruit other types of personnel.

Merritt Hawkins also recommends that the draft legislation (or implementing regulations) more specifically define how physician candidates will be processed throughout the recruiting effort, specifying who the decision makers are (and limiting their number) and the time frame in which they are required to turnaround candidate applications.

CONCLUSION

As stated in our December, 2015 Statement of Record, while the institutional challenges the VA is facing in physician recruitment are daunting, they are not confined to the VA. Academic medical centers and increasingly large and consolidated healthcare systems in the private sector also struggle with implementing streamlined systems for processing physician candidates. The healthcare facilities that are able to do so are the most likely to achieve consistent physician recruiting success, which is attainable even in today's rapidly evolving healthcare system.

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PARALYZED VETERANS OF AMERICA

Chairmen Benishek and Wenstrup, Ranking Members Brownley and Takano, and members of the Subcommittees, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to present our views on the pending legislation impacting the Department of Veterans Affairs (VA) employment authority. No group of veterans understand the full scope of care provided by the VA better than PVA's members-veterans who have incurred a spinal cord injury or disease. Most PVA members depend on VA for 100% of their care and are the most vulnerable when access to health care, and other challenges, impact quality of care. Elements of this bill will help ensure that veterans receive timely, quality health care and benefits services.

In order to accomplish VA's strategic goal, "to be an employer of choice in the national labor market," VA must be able to recruit and retain qualified professionals, and administrative, technical and other staffs, by providing competitive compensation, and opportunities for professional and technical development. The Association of American Medical Colleges estimates the United States will have a shortage of 130,600 physicians by 2025. Today, the most vulnerable populations, including rural communities and veterans with specialty needs are the first to feel the effects. While VA recruitment efforts are improving, the inexcusably long process it takes to bring an employee onboard continue to turn away highly qualified candidates. VA must provide its human resources management staff with the resources and training necessary to correct these issues.

Section 2 of the proposed draft bill would eliminate the current statutory requirements that the Medical Directors of VA Medical Centers (VAMCs) and directors of Veterans Integrated Service Networks (VISNs) be a doctor of medicine or dentistry. Rather, it would require they be, to the "extent practicable" a qualified medical professional. Further, it would allow these directors to receive market pay in addition to base pay, with the market pay reviewed by the secretary on a case by case basis. PVA supports any effort intended to recruit and retain the highest quality health care providers. Our nation's veterans deserve no less than the very best. Congress should also consider other incentives, such as child care, flexible scheduling, and continuing education.

In 2004, Congress passed P.L. 108 09445, the "Department of Veterans Affairs Health Care Personnel Enhancement Act." The act was intended to aid VA in recruitment and retention of VA physicians, especially scarce subspecialty practitioners, by authorizing VA to offer highly competitive compensation to full-time physicians oriented to VA careers. VA has fully implemented the act, but PVA suspects the act may not have been sufficient enough. PVA urges Congress to provide oversight and to ascertain whether VA has adequately implemented its intent in enacting P.L. 108 09445.

Section 3 would allow the Secretary to modify the hours of employment for personnel of VHA so they can have more or less than 80 hours in a biweekly pay period as long as their total hours per calendar year do not exceed 2,080 hours. PVA supports this modification. Currently, VA emergency room physicians work inflexible 12-hour shifts within the required 80 hours per pay period that denote full-time status. This rigidity does not exist in the private sector. Irregular work schedules are needed to provide high quality patient care. Additionally, the Veterans Health Administration (VHA) antiquated system interferes with recruitment and retention efforts.

Section 4 would allow the Secretary to pay for 66 percent of the Yellow Ribbon Program under the Post-9/11 G.I. Bill for a graduate degree in the mental health field as opposed to only "up to 50 percent." The applicant would have to be eligible for the Post-9/11 G.I. Bill and eligible for the Yellow Ribbon Program and intend to become a mental health professional for VA. PVA supports this provision.

Currently, the Veteran Access Choice and Accountability Act requires the VA Office of Inspector General (VAOIG) determine annually the five occupations within VHA that had the highest staff shortages. Section 5 of this draft would require the VAOIG to evaluate staffing shortages for five clinical occupations and five nonclinical occupations within each VISN. PVA supports this provision as it would add clarity to the staffing capacity where care is directly provided.

Section 6 would repeal the compensation panels to determine market pay for physicians and dentists. PVA currently has no official position on this provision.

Section 7 would require the Secretary to select at least 18, but no more than 30, employees to participate in a one year fellowship with a private sector company or entity that administers or delivers health care or other services similar to those provided within VBA and VHA. PVA generally supports this idea. In the current environment there could be a benefit to sending VA senior executives into the private

sector to better understand best practices from both sides. At the same time, sending already limited resources and talent outside of VA could further undermine the existing training programs within the Department.

Section 8 would require the Secretary to conduct an annual performance plan of VA's political appointees. The plan would be similar to those employees who are members of the Senior Executive Service and would assess recruitment and retention of qualified employees, engagement and motivation, and performance and accountability. While surprised there is not already a performance plan for VA political appointees, PVA considers this a reasonable provision.

Section 9 would expand veterans preference to reservists by counting their cumulative service rather than consecutive. PVA supports offering the preference in hiring to those not currently eligible and hopes such an expansion would allow VA to hire more veterans.

Section 10 would allow the Secretary to noncompetitively reappoint a former VA employee to any position within the Department as long as the position is not more than one grade higher than their former position and as long as the employee left the Department voluntarily within the prior two years and maintained necessary licensures and credentials. PVA has concerns about bringing back a former employee to a higher grade through a noncompetitive process. Such a hiring pathway allows for personal relationships to dictate placement. While PVA supports the intent to easily fill critical vacancies, we are not convinced hiring former employees through a noncompetitive process is the most appropriate.

Section 11 would require the Secretary to create a single recruiting database to list any vacant positions the Secretary determines are critical to the mission of VA, or difficult to fill, or both. It would keep information on applicants not selected for initial positions but who are qualified for other positions in the department. The Secretary would be required to use the database to fill any vacant positions. PVA does not believe a recruiting database is necessary. Given the current condition that is VA and its relationship to IT, we are unsure how the creation of a new apparatus will quicken the Department's efficiencies. Presumably, the 'mission critical' positions the proposed database would house are currently residing in the existing system, if not USAJobs.gov. Why these are not suitable means for discovering their listing we would wish to know before offering a final opinion.

PVA generally supports Section 12 that would require the Secretary to provide the proper training for human resources (HR) professionals for recruiting and hiring Title 38 employees within VHA. Currently, most HR professionals are primarily trained for hiring under Title 5, while a majority of VHA's hiring is for Title 38 employees. VA must reduce the amount of time it takes to bring new employees on board and provide its HR staff with adequate support through updated hiring processes and proficiency training. The development and implementation of defined goals for recruitment and retention (to include promotions, continuing education, etc.) should be components of HR staff's performance plans. VA HR management staff are not accountable to direct service providers. PVA believes they should be held accountable. HR performance is not measure by the degree to which they meet hiring and recruitment goals. As a consequence, failure to fill a critical vacancy in a timely manner carries no adverse effect on the involved HR staff.

PVA thanks the Subcommittees for their work to recruit and retain excellent employees at VA. However we are unsure how all of the aims of this draft bill would be meeting the needs of the Department. This concludes PVA's statement for the record. We would be happy to answer any questions for the record that the Committee may have.

Information Required by Rule XI 2(g)(4) of the House of Representatives

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2016

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events - Grant to support rehabilitation sports activities - \$200,000.

Fiscal Year 2015

Department of Veterans Affairs, Office of National Veterans Sports Programs & Special Events - Grant to support rehabilitation sports activities - \$425,000.

Fiscal Year 2014

No federal grants or contracts received.

Disclosure of Foreign Payments

Paralyzed Veterans of America is largely supported by donations from the general public. However, in some very rare cases we receive direct donations from foreign nationals. In addition, we receive funding from corporations and foundations which in some cases are U.S. subsidiaries of non-U.S. companies.

DISABLED AMERICAN VETERANS**ADRIAN M. ATIZADO**

Mr. Chairman and Members of the Subcommittees:

Thank you for inviting DAV (Disabled American Veterans) to submit testimony for the record to discuss our views on draft legislation aimed at improving the authority of the Secretary of Veterans Affairs (VA) to hire and retain physicians and other VA employees. As you know, DAV is a non-profit veterans service organization comprised of nearly 1.3 million wartime service-disabled veterans and is dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity.

According to VA, between FY 2013 and FY 2019, nearly 41 percent of the Veterans Health Administration (VHA) workforce will become eligible for regular retirement, with over 23 percent projected to actually retire. Among senior leaders, the rates of retirement eligibility are staggering, with more than 75 percent of the Senior Executive Service (SES), Title 38 executives, chiefs of staff, and nurse executives, and about half of Associate, Assistant, and Deputy Network Directors eligible for retirement within the next 7 years. 1A¹ This scenario highlights the need for this hearing and we applaud the work of both Subcommittees to improve the VA Secretary's authority to recruit and retain VA physicians and other employees.

Section 2 of this draft bill seeks to address the lack of specific authority to make appointments or set rates of pay under title 38 for VA Medical Center Director and Network Directors.

It appears that pay for these directors would be based on the methodology of a compensation system similar to that which is used for VHA physicians and dentists (38 U.S.C. § 7431) P.L. 108 09445. Notably, changes to the VHA physicians and dentists compensation system is proposed in Section 6 of this bill. We draw the Subcommittees' attention to our comments and concerns on Section 6 as it applies to Section 2 of this measure.

Section 3 would align VA practice with the private sector, facilitating the recruitment and retention of emergency physicians and the recruitment, retention and operation of a hospitalist physician system in VA medical centers.

To accommodate the need for continuity of efficient hospital care, emergency medicine (EM) physicians often work irregular schedules. This measure would modify the hours of employment for a full-time physician or physician assistant to more or less than 80 hours in a biweekly pay period provided the employee's total hours of employment in a calendar year would not exceed 2,080. Consequently, VA medical centers would gain the ability to implement flexible physician and physician assistant work schedules that could accommodate hospitalist and EM physicians' schedules and practices.

DAV does not have a resolution calling for this specific legislation; however, because of the measure's beneficial nature, we would not oppose its favorable consideration.

As part of the "Yellow Ribbon G.I. Education Enhancement Program," **Section 4** of the bill would require the VA Secretary to carry out a program in partnership with an institution of higher education (IHE) and agree to cover the full cost not covered by the post-9/11 G. I. Bill incurred by veterans who are pursuing advanced degrees in the mental health field at the IHE and intend to seek employment as mental health professionals in VA.

DAV Resolution No. 122 calls on Congress and VA to establish scholarships for future VA mental health practitioners. We are pleased to support this important provision which seeks to make program improvements related to suicide prevention

¹ 1A85.5 percent of SES; 91.2 percent of Title 38 SES; 85.9 percent of Chiefs of Staff; 77.6 percent of Nurse Grade V; 48.3 percent of Associate, Assistant, and Deputy Directors.

and would improve access to appropriate mental health services for service members and veterans who need such services.

Section 5, would add to the five clinical occupations an additional five nonclinical occupations for which the Office of Inspector General (OIG) must annually determine are the largest staffing shortages throughout the Department as calculated over the five-year period preceding the determination.

We urge the Subcommittee include in this context of determining capacity of the VA health care system other directly related factors such as space shortages and requirements to meet the goals of the Secretary for timely access to care for veterans.

Section 6 would eliminate the compensation panel recommendation process required under 38 U.S.C. § 7431(c)(4)(B) to determine market pay for physicians and dentists. We understand that VA believes the current compensation panel process is time consuming and yields no additional value to other reviews conducted prior to the appointment.

We understand the ability for the Secretary to exercise flexibilities in pay is a vital recruitment and retention tool. The Secretary today has discretion over two components of compensation for VA physicians and dentists under the title 38 pay system - market pay and performance pay. Market pay combined with basic pay (which set by law) is meant to reflect the recruitment and retention needs for the specialty of assignment of the particular physician or dentist in a VA facility. Performance pay, which the Secretary also has discretion over, is a statutorily authorized element of annual pay paid to physicians and dentists for meeting goals and performance objectives. Furthermore, Congress has granted VA other pay flexibilities involving discretion, including premium pay, on-call pay, alternate work schedules, Baylor Plan, special salary rates, and recruitment and retention bonuses.

It appears that market pay is the only part of VA compensation that is determined through a peer-review process composed of a group of physicians and/or dentists and based on factors such as the prospects experience, qualifications, complexity of the position and difficulty recruiting for the position. There is risk eroding the effectiveness of market pay by eliminating this role without assurances that the local peer-perspective, which ensures consistency and appropriateness of pay proposals, will continue to be an important part of the approving official's final decision.

Section 7 would establish a one-year fellowship program to provide private sector claims processing training and experience for certain Veterans Benefits Administration (VBA) and VHA executives. The private sector entity would be engaged in the administration and delivery of health care or other services similar to the benefits administered by the Secretary.

We note that the eligible employer under this section of the bill would be both VBA and VHA. However, the agreement under the proposed new Section 721(e) between VA and the fellow is incongruous, which appears to afford the opportunity for employment only in VBA and not VHA, which we urge the Subcommittee to correct.

Section 8 proposes a new requirement for the Secretary to conduct an annual performance plan for political appointees within the Department similar to the annual performance plan conducted for a career VA Senior Executive Service appointee.

Delegates to our most recent National Convention approved Resolution No. 214, calling for the imposition of meaningful employee accountability measures in VA, but with due process for employees targeted for such sanctions. This section meets the intent of DAV's resolution; therefore, DAV supports enactment.

Section 9 would modify veterans' preference in hiring for employment in the federal government by including in the active duty service requirement those veterans who have performed 180 days of cumulative service and all military retired. The application of such preference would also extend to the hiring of senior executive positions in the VA.

DAV supports this provision based on Resolution No. 130, calling, for among other things, a broader utilization of veterans and service-disabled veterans hiring preferences and supporting federal, state and local veterans' preference laws.

Section 10 would allow the Secretary to noncompetitively appoint a qualified former employee to any position within the competitive or excepted service positions that is one grade higher than the grade of the position at the Department most recently occupied by the employee. A former employee may not be appointed to a position that is more than one grade (or equivalent) higher than the position at the Department most recently occupied. The term "qualified former employee" means any individual who formerly occupied any VA position within 2 years before applying for re-employment at the Department; voluntarily left such position, or was subject to

a reduction in force, and had a satisfactory performance record while occupying such position; and since leaving such position has maintained relevant licensing requirements, if any, and gained skill, knowledge, or other factors related to the position.

Section 11 would authorize the establishment of a single database that lists each vacant position in the VA that the Secretary determines is critical to the mission of the Department, difficult to fill, or both. If an applicant for a vacant position listed in the database is qualified but is not selected for the position, the Secretary, at the election of the applicant, shall consider the applicant for other similar vacant positions listed in the database for which the applicant is qualified.

Section 12 would require VA human resources professionals training on how to best recruit and retain Title 38 employees, including any recruitment and retention matters that are unique to the VHA. The training would be provided in a manner deemed appropriate in light of budget, travel, and other constraints. The Secretary shall ensure that each VHA human resources professional receives the training as soon as practical after being hired as a human resource professional; and annually thereafter.

Section 13 would require VA to establish a promotional track system for VA employees determined to be technical experts within one year of it being enacted. The developed promotional track would provide qualifying employees the opportunity to advance within VA without being required to transition to a management position; it would provide for the establishment of new positions within VA; and notwithstanding any other provision of law, would provide for increases in pay.

DAV does not have a resolution calling for the provisions in sections 10 through 13.

Section 14 would require the Government Accountability Office to conduct a study on the succession planning at each VA medical facility, the VBA, and the National Cemetery Administration. For each entity, the study must include: A determination of the mission-critical positions and the vacancy risk of such positions; An analysis of the future needs for mission critical positions and gaps within the existing talent pool of the entity; A description of strategies to close skill gaps through the use of training for existing staff, targeted recruitment, and hiring; A plan to regularly evaluate progress of staff and update existing succession plans using clear and measurable metrics and benchmarks; A demonstration of the capacity to execute succession plans with successful succession management strategies, and; Any other matters the Comptroller General determines appropriate.

The Comptroller General shall submit a report detailing each study conducted to the House and Senate Committees on Veterans' Affairs no later than one year after enactment.

We thank the Subcommittees attention to address one of VA's most significant challenges is dealing effectively with succession an succession planning-especially in the health sciences and technical fields that so characterize contemporary American medicine and healthcare delivery.

Section 15 would require the VA to measure and collect detailed information on indicators of hiring effectiveness including satisfaction of employment applicants and new hires. Personally identifiable information of applicants and employees will be kept private. The Secretary will submit a report of information collected to the House and Senate Committees on Veterans' Affairs, and will annually make the information collected publicly available in a consistent and machine-readable format to allow for a comparison of hiring effectiveness and experience by VISN or comparable public or private sector organization.

DAV has been calling attention to VA's human resources policies, which in recent hearings on VA mental health in the Senate, confirm that the lack of responsiveness of human resources offices and management policies are contributing to deficits in VA's mental health programs. Sadly, unresponsive human resources practices are also affecting all of VA's key missions. While we believe the collection of this information may be useful, we urge the Subcommittee to carefully examine VA and Office of Personnel Management appointment authorities in statute and how they are being applied within VA to determine whether additional legislation would offer any helpful resolution. VA should develop and track measures of performance in human resources recruitment, on-boarding and retention of clinical staff. Almost as important, the Committee should provide targeted oversight in examining why VA human resources programs are so weak and unaccountable at a time when they should be acting forcefully and supportively to ensure VA programs in VHA, VBA and Memorial Affairs are properly staffed to meet their missions. With help from Congress, we believe this aspect of VA's challenges can be solved with better leadership and more responsiveness, beginning at the local level and extending throughout the system.

Section 16 VA would allow for excepted service appointments of students and recent graduates leading to conversion to career or career conditional employment of a student or recent graduate of a qualifying educational institution. The conversion authority shall be applicable to individuals in good standing who are employed in a qualifying internship or fellowship program at the Department; are employed in the Department in a volunteer capacity and performing substantive duties comparable to those of individuals in internship or fellowship programs and meet the required number of hours for conversion; or who are employed in the Department under a contract or agreement with an external non-profit organization and performing substantive duties comparable to those of individuals in internship or fellowship programs.

DAV has no resolution on this specific provision; however, we continue to hear from VA medical facility leaders on too many lost opportunities due to the lengthy hiring process for medical students who train in VA. As these medical professionals train in VA, they gain institutional knowledge, which becomes a tremendous advantage in successful transition. Thus, we would not oppose the favorable consideration of this section in this regard.

Section 17 would require VA develop and carry out a standardized, anonymous, and voluntary exit survey to be completed by career and non-career employees and executives of the Department who voluntarily leave. Data collected will be anonymized and personally identifiable information will be removed, and the results of the survey would be shared annually with directors and managers of VA facilities and the VISN. Within one year after the date of the enactment, and annually thereafter, the Secretary will submit a report containing the aggregate results of the exit survey to the House and Senate Committees on Veterans' Affairs.

DAV does not have a resolution calling for this section of the bill.

Mr. Chairman and Members of the Subcommittees, this concludes DAV's testimony. We appreciate the invitation to submit testimony for the record, and are prepared to respond to any questions on the positions we have taken with respect to the bill under consideration.

IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Lauren Augustine

Chairman Wenstrup, Chairman Benishek, Ranking Members Takano and Brownley, and Distinguished Members of the Subcommittees, on behalf of Iraq and Afghanistan Veterans of America (IAVA) and our more than 450,000 members and supporters, we would like to extend our gratitude for the opportunity to share our views on the draft legislation to improve hiring practices at the Department of Veterans Affairs (VA).

As all in the veteran community are well aware, the need for greater accountability at the VA is paramount to successfully restoring veterans' trust in the system. However, just as important is the need to employ and retain highly qualified, motivated professionals willing to support the VA's mission. The VA has asked for, and should receive, many of the provisions within this draft legislation, which are necessary changes to their current hiring practices to support such goals. IAVA is pleased to see many additional provisions within the draft legislation that aim to meet those same needs among other key changes to better the VA's hiring and retention process.

While the vast majority of VA employees serve veterans with outstanding care and professionalism, the few underperforming or negligent employees that discredit their service must be held accountable in a swift manner that brings justice to the system while also protecting whistleblowers and maintaining a culture professionals want to work within. IAVA fully supports the measure within the draft legislation to appoint Directors of Veterans Integrated Service Networks (VISN) and Veterans Affairs Medical Centers (VAMC) under title 38, which has been requested specifically by the VA, to ensure less bureaucracy and more accountability as it relates to disciplining wrongdoing. This measure will also provide the VA greater flexibility in offering competitive pay and compensation to attract and retain the most qualified candidates for such positions. We cannot expect VA Directors to perform at levels that meet or exceed their private-sector counterparts if we are not willing to compensate them fairly.

Additional contributions to greater accountability in the legislation require the VA to conduct an annual performance plan for all political appointees in a similar manner Senior Executive Service are evaluated. The evaluation would include meas-

uring appointees' ability to recruit and retain qualified employees, engage and motivate employees, train employees and hold them accountable for any potential performance issues. The ability for all VA leaders, including political appointees, to successfully meet and exceed the requirements of such tasks will continue to be a key aspect to ensuring quality leaders exhibit the highest standards of professionalism.

In its efforts to institute better hiring practices, the VA must also become more acutely aware of the actual need and capabilities of its workforce in addition to instituting policies to support its existing workforce. IAVA supports the measures within the draft legislation to provide the VA better insight its hiring capabilities. Specifically, IAVA supports the requirement to measure and collect information on hiring effectiveness and to adjust the current requirements to identify the five occupations with the highest staffing shortages to include the five highest staffing shortages for both clinical and nonclinical occupations. Understanding what the staffings needs are coupled with a greater understanding of hiring effectiveness will help streamline the process for those looking to serve within the VA. Building on that is the need to ensure continued training and growth opportunities for existing VA employees. The promotional track for technical experts that eliminates a requirement to accept managerial positions created within the legislation will help retain those professionals looking to utilize their expertise without adding unwanted responsibilities. Leveraging the existing expertise and talent within the VA supports a greater continuity of institutional knowledge and professional satisfaction.

Providing professional development and training opportunities for VA employees are practices IAVA has frequently advocated for as a means to support the VA workforce. As such, IAVA strongly supports the one year private-sector fellowship for select Veteran Benefits Administration (VBA) and Veterans Health Administration (VHA) employees. Gaining best-in-practice knowledge, policies and procedures from the private sector can only help strengthen the capabilities of VA employees and their capacity to meet the VA's mission. Likewise, IAVA supports the provision to provide training for human resources professionals within the VA for recruiting and hiring Title 38 employees. Since Title 38 employees make up many of the occupations with the VHA, understanding the nuances of the hiring process for these employees will create a more efficient process.

The provisions within the draft legislation that consider adjustments to education benefits through the Yellow Ribbon program and modifications to veteran preference are both measures IAVA supports as a means to increase both the number of applicants seeking to serve at the VA and the number of veterans serving within the VA system. IAVA is particularly supportive of incentivizing veterans to seek education that will lead to becoming mental health care professionals within the VA. As our members continue to express a need for greater access to care and cultural understanding, IAVA recognizes the potential of such incentives will help meet that need.

At IAVA, we believe our members, and all veterans, deserve the very best our nation can offer when it comes to fulfilling the promises made to them upon entry into the military. To support that cause and the critical mission of the VA, IAVA fully supports equipping the VA with the necessary authority to provide best-in-class hiring practices.

As the Committee works to finalize this legislation, IAVA strongly recommends not paying for its provisions by cutting critical benefits that our nation's 23 million veterans and their families have come to rely upon. We look forward to reviewing the final language of the legislation, continuing to work together as partners, and finding veteran-centric solutions to the challenges facing the VA and the veteran community.

RESERVE OFFICERS ASSOCIATION

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned, non-commissioned and warrant officers of our nation's seven uniformed services. ROA was founded in 1922 by General of the Armies John "Black Jack" Pershing during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to national defense, with a goal to inform America regarding the dangers of unpreparedness. Under ROA's 1950 congressional charter, our purpose is to promote the development and execution of policies that will provide adequate national defense. We do so by developing and offering expertise on the use and resourcing of America's Reserve Components.

The association's members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on active duty to meet critical needs of the uniformed services. ROA's membership also includes commissioned offi-

cers from the United States Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security.

President: Col. James R. Sweeney II, USMC (Ret.) 202 09646 097706

Executive Director: Jeffrey E. Phillips 202 09646 097726

Legislative Director: Lt. Col. Susan Lukas, U.S. Air Force Reserve (Ret.) 202 09646 097713

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association is a member-supported organization. ROA has not received grants, contracts, or subcontracts from the federal government in the past three years. All other activities and services of the associations are accomplished free of any direct federal funding.

STATEMENT

ROA appreciates the opportunity to discuss proposed legislation for improving the authority of the Secretary of Veterans Affairs to hire and retain physicians and hire Guard and Reserve members. This statement addresses a legislative priority developed by ROA as a result of feedback from ROA members and Reserve Component service members.

SEC. 9. MODIFICATION TO VETERANS PREFERENCE

The Reserve Officers Association urges Congress to support SEC. 9. MODIFICATION TO VETERANS PREFERENCE, which changes title 5, USC 2108(1)(B) and (D) to strike the word "consecutive" and change it to "cumulative" in each instance.

Reserve Component Participation

During the present war, nearly a million Guard and Reserve members have been mobilized, proving essential to the war effort. The reliance of the nation on its Reserve Components will not diminish.

Since September 11, 2001, more than 900,000 members of our reserve components - the National Guard and Reserves of our Army, Navy, Air Force, Marines and Coast Guard - have served in support of the war on terrorism. More than 1,200 have died in that fight.

Guard and Reserve Title 10 Contingency Support

Unique SSAN Activations as of: March 8, 2016

Currently Activated:	25,267	change from last week (+422)
Deactivated Since 9/11:	896,992	
Total:	922,259	

Reserve Component	* Current Involuntary Activations	** Current Voluntary Activations	Total Currently Activated	*** Total Deactivated Since 9/11	*** Total Activated Since 9/11
ARNG	8,858 (-14)	349 (-2)	7,207 (-16)	381,753	388,960
USAR	7,161 (+557)	254 (-11)	7,415 (+546)	217,686	225,101
USNR	2,729 (+73)	187 (+1)	2,916 (+74)	54,906	57,822
USMCR	302 (+9)	718 (+0)	1,020 (+0)	62,431	63,451
ANG	2,940 (-107)	1,589 (+51)	4,529 (-56)	102,334	106,863
USAFR	1,116 (-68)	788 (-36)	1,904 (-126)	69,605	71,509
USCGR	164 (+0)	112 (+0)	276 (+0)	8,277	8,553
TOTAL	21,270 (+421)	3,997 (+1)	25,267 (+422)	896,992	922,259

Notes:

* Includes members placed on Active Duty under 10 USC Sections 688, 12301(a), 12302 and 12304

** Includes members placed on Active Duty under 10 USC 12301(d) and members categorized as unknown in CTS statute code

*** Includes members who were activated for Operation Noble Eagle, Operation Enduring Freedom, Operation Iraqi Freedom, Operation New Dawn, Operation Inherent Resolve and Operation Freedom Sentinel

DRS# 21800

Source: Contingency Tracking System (CTS) Daily Processing Files

Produced by the Defense Manpower Data Center

“War is a national challenge, and, for our part, we cannot execute without the Guard and the Reserve,” said Army Chief of Staff Gen. Mark Milley. You can’t talk to a general or admiral for more than five minutes without hearing a variation on that theme.

The chart below shows that the Guard and Reserve have been used in increasingly higher amounts per year. While usage is dropping it will not go down to previous peacetime levels because threats to the nation and world have increased.

Usage of the Reserve Components

Fiscal Year	Man-Days Per Year
1986 091989	1 million
1996 092001	13 million
2002	41.3 million
2005	68.3 million
2012	25.8 million

Data from the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD/RA).

Background

According to Jeff Phillips, ROA Executive Director, in a recent op-ed, “It was over my first Philly cheesesteak sandwich - in Philadelphia - that I learned Maj. Bonnie Carroll was not a veteran despite her extraordinary service to our country.”

Reservists today serve virtually everywhere, alongside their “active component” comrades. In battle, the performance of these trained and courageous citizen-warriors of all ranks, specialties, and any other category has been recognized as indistinguishable from the “regulars.” They ask to serve; they deserve equity for that service.

Inequity is written into law; most of the legislation governing the military was written before and during the Cold War. The reserves in those days were a strategic reserve and not used much - that’s where the “one weekend per month and two weeks in the summer” model evolved.

Desert Shield, Desert Storm and the present war changed all that. The reserves are now considered “operational.” They are used continually, like the active force. In the late 1980s, usage of the reserves was 1 million man-days per year; it is now about 25 million man-days. But the law hasn’t kept up as important benefits are limited only to those who serve in “active military, naval, or air service.”

By “important benefits,” we are talking about who you are in the eyes of federal law when it comes to being considered for hiring preferences accorded to veterans.

We are talking about helping young, dynamic new professionals - who understand service and dedication to higher cause - renew our graying and often hidebound federal bureaucracy.

Bonnie stunned me when she told me she wasn’t a veteran.

“But, of course you are, you’ve served in the Air Force,” I countered, momentarily forgetting my cheesesteak sandwich.

No, she told me, she had never amassed enough days on “active duty” to qualify to be a veteran under titles 5 and 38 for federal hiring preference. To be a veteran for hiring preferences, she needed 180 or more consecutive days on active duty - and that did not include active duty while she was training. In those days, getting nearly six consecutive months on active duty was tough.

As the operational tempo of the recent past changes and fewer members of the Guard and Reserve deploy (a situation that will last only until the next war) achieving 180 or more consecutive days on active duty will become even more difficult. But it will always be much more likely for these reservists to amass 180 or more cumulative days on active duty. Inequity is an enduring theme unless we make this simple change.

Both the Department of Veterans Affairs and the top leaders of our reserve forces informally indicated to ROA there is no cost and they would not object to such a change the law.

Recent legislation sought to grant “honorary” veteran status to reservists with 20 or more years of service - legislation ROA supported. These reservists are a fraction of the whole. We are here urging a simple reform that would substantively help the

vast majority of reservists who are still serving as citizen-warriors or who separated before military retirement.

Changing one word would provide significant equity to members of our Guard and Reserve who affirm the wisdom of our founders in their willingness to serve boldly, selflessly, and with great fidelity in the defense of our way of life. They balance military service - a consuming and uncompromising business - with the demands of a civilian work life and the care of their families.

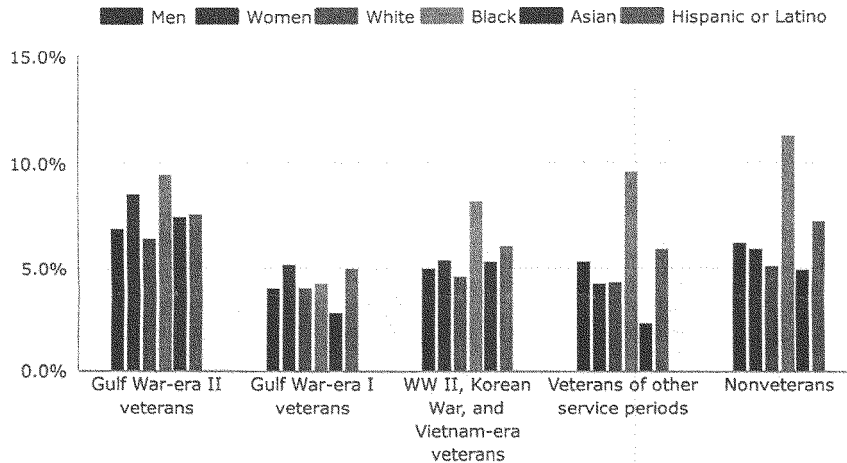
According to SGM (Ret) Frank Yoakum, Executive Director, EANGUS, “Major Bonnie Carroll (retired) is one of thousands of National Guard and Reserve retirees who were part of the 1% of America who served in our military—not only served, but gave a lifetime of service—only to find out that our Congress and our government, based on a technicality, does not consider them veterans. In their careers, they were available to go to war; they were trained to go to war; they were ready to go to war; but the timing and placement of their service placed them in support but not direct warfight roles. They should not continue to be penalized for exemplary service. The time is now; the technical change is simple; the personal reward and thanks of a grateful nation is priceless. We strongly encourage Congress to do the right thing and make this correction to the law on behalf of thousands of retirees who really are veterans.”

Unemployment of the Guard and Reserve

Unemployment during the Gulf War steadily increased higher for veterans than nonveterans, especially those from the current war. Of that group, 30 percent of both Gulf War-era I and Gulf War-era II veterans were reported to be current or past members of the Reserve or National Guard.

“In 2014, 21.2 million men and women were veterans. Of these, 10.2 million veterans were employed, 573,000 were unemployed, and the rest, 10.5 million, were not in the labor force (neither employed nor seeking employment).” <http://www.bls.gov/pub/ted/2015/veteran-unemployment-decreases-in-2014.htm>

UNEMPLOYMENT RATES OF PERSONS 18 YEARS AND OVER BY VETERAN STATUS, PERIOD OF SERVICE, SEX, RACE, AND ETHNICITY, 2014 ANNUAL AVERAGES



Click legend items to change data display. Hover over chart to view data. Source: U.S. Bureau of Labor Statistics.

As of March 23, 2015

Since 2014 unemployment overall has decreased, in part because the government increased their efforts to hire more veterans in the federal government to reduce veteran homelessness. By the end of fiscal year 2014, the government was able to employ 516,075 veterans out of 1,990,033 employees. However, most agencies are below the average percentage of 25.9 percent once you exclude the Departments of Defense and Veterans Affairs (27.4% to 48.5%). The remaining agencies average only 13.8 percent

Total On-Board Employees - Veterans with Preference

All Employees	Veterans	with Preference	%
Agriculture	95,917	10,519	11.0%
Commerce	45,380	4,633	10.2%
Education	4,195	369	8.8%
Energy	14,992	2,879	19.2%
HHS	84,588	5,714	6.8%
Homeland Security ..	189,341	43,736	23.1%
HUD	8,444	1,142	13.5%
Interior	69,955	10,203	14.6%
Justice	113,240	21,751	19.2%
Labor	15,940	3,093	19.4%
State	12,694	2,195	17.3%
Treasury	92,619	8,629	9.3%
AID	1,698	235	13.8%
EPA	15,852	1,068	6.7%
GSA	11,501	2,088	18.2%
NASA	17,691	1,555	8.8%
NSF	1,425	92	6.5%
OPM	4,977	1,025	20.6%
NRC	3,871	652	16.8%
SSA	64,684	8,181	12.6%
SBA	4,549	677	14.9%

<https://www.fedshirevets.gov/hire/hrp/reports/EmploymentOfVets-FY14.pdf>

Changing the language for federal preference would provide a pool of Guard and Reserve veterans for agencies to consider, thereby, increasing their veteran hires. In 2012, the Center for New American Security released a report, titled, *Employing Americans Veterans* that said, "Hiring veterans is good business, according to detailed and lengthy interviews with 87 individuals representing 69 companies. The companies reported 11 reasons they hire veterans, with an emphasis on veterans' leadership and teamwork skills, character and discipline..." The reasons include:

- Leadership and teamwork skills. Veterans typically have led colleagues, accepted direction from others and operated as part of a small team.
- Character. Veterans are perceived as being trustworthy, dependable, drug-free and having a strong work ethic.
- Structure and discipline. Companies, especially those that emphasize safety, appreciate veterans' experience following established procedures.
- Expertise. Companies value veterans' occupational skills, job-specific experiences and understanding of the military community. <http://www.cnas.org/files/documents/publications/CNAS—EmployingAmericasVeterans—HarrellBerglass.pdf>

These and the other reasons discussed in the report should equally apply to why hiring a Guard or Reserve veteran makes sense for the federal government.

Not unlike her citizen-warrior comrades, Bonnie is a remarkable woman. Self-effacing and dedicated to the service of others, she asks nothing for herself. ROA is urging this reform for today's reservists now being shortchanged, and for the benefit of a nation that needs them serving the public as civil servants.

In 1994 Bonnie founded Tragedy Assistance Program for Survivors after her husband, an Army officer, was killed in a military plane crash. TAPS supports those who have lost a loved one in military service, but provides expertise to all who need that kind of help. They are known for their unparalleled expertise in the care and recovery of survivors.

For her work with surviving families, President Obama awarded Bonnie the Presidential Medal of Freedom in November.

Maj. Bonnie Carroll ultimately retired after 32 years in both the Air National Guard and the Air Force Reserve.

But according to federal law, she's not a veteran for federal hiring benefits and did not get a 5-point preference that would have increased her chances to be hired earlier in her career.

It's time that changed for the men and women serving today.

CONCLUSION

The Reserve Officers Association, the Enlisted Association of the National Guard of the United States and the National Guard Association of the United States supports legislation that would extend federal preference to the deserving men and women of the Reserve Components.

AMERICAN PODIATRIC MEDICAL ASSOCIATION

Testimony of Dr. Phillip E. Ward, President

Chairmen Benishek and Wenstrup, Ranking Members Brownley and Takano and members of the Subcommittees, I welcome and appreciate the opportunity to submit testimony to you today on behalf of the American Podiatric Medical Association (APMA). I commend these Subcommittees for their focus to assist and direct the Veterans Administration (VA) to effectively and efficiently recruit and retain qualified medical professionals to treat veteran patients and improve access to quality health care in the VA system by addressing the lengthy and burdensome credentialing and privileging process.

I am Dr. Phillip Ward, member and president of the American Podiatric Medical Association (APMA). I represent APMA and the podiatric medical profession, and specifically our members currently employed, and those seeking to be employed, by VA. While I do not represent VA, I do speak for those with first-hand experience and knowledge of hiring practices within VA, as well as knowledge of the widespread disparity between podiatric physicians and other VA physicians.

APMA is the premier professional organization representing America's Doctors of Podiatric Medicine who provide the majority of lower extremity care, both to the public and veteran patient populations. APMA's mission is to advocate for the profession of podiatric medicine and surgery for the benefit of its members and the patients they serve.

Mr. Chairmen, as you know the Veterans Health Administration (VHA) qualification standards for podiatry were written and adopted in 1976. Podiatric education, training and practices in 1976 starkly contrasted with that of other physician providers of the time, and with podiatric medicine as it is today. Unlike forty years ago, the current podiatric medical school curriculum is vastly expanded in medicine, surgery and patient experiences and encounters, including whole body history and physical examinations. In 1976, residency training was not required by state scope of practice laws. Today, every state in the nation, with the exception of four, requires post-graduate residency training for podiatric physicians and surgeons. In 1976, podiatric residency programs were available for less than 40 percent of graduates. Today there are 609 standardized, comprehensive, three-year medicine and surgery residency positions to satisfy the number of our graduates, with 77 positions (or 13 percent) housed within the VA. In contrast to 1976, today's residency programs mandate completion of a broad curriculum with a variety of experiences and offer a direct pathway to board certification with both the American Board of Podiatric Medicine (ABPM) and the American Board of Foot and Ankle Surgery (ABFAS). These certifying bodies are the only certifying organizations to be recognized by the Council on Podiatric Medical Education (CPME) and VA. These bodies not only issue time-limited certificates, but they participate in the Centers for Medicare and Medicaid Services (CMS) Maintenance of Certification (MOC) reimbursement incentive program. Unlike the residency curricula in 1976 (which were not standardized, nor comprehensive), today's residency curriculum is comparable to MD and DO residency training and includes general medicine, medical specialties such as rheumatology, dermatology and infectious disease, general surgery and surgical specialties such as orthopedic surgery, vascular surgery and plastic surgery. CPME-approved fellowship programs did not exist in 1976, but since their creation in 2000, they offer our graduates opportunities for additional training and sub-specialization. Today, podiatric physicians are appointed as medical staff at the vast majority of hospitals in the United States, and many serve in leadership roles within those institutions, including but not limited to chief of staff, chief of surgery, and state medical boards. Many of my colleagues have full admitting privileges and are responsible for emergency room call as trauma and emergency medicine are now

also incorporated into post-graduate training. The competency, skill and scope of today's podiatric physicians are vastly expanded and truly differ from the podiatrist that practiced before 1976. Because of this, CMS recognizes today's podiatrists as physicians, and Tricare recognizes us as licensed, independent practitioners.

The total number of VA enrollees has increased from 6.8 million in 2002 to 8.9 million in 2013 (1). While we are slowly losing our Vietnam veteran population, we are gaining a solid base of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) patients, returning from war with their unique lower extremity issues. The projected patient population of Gulf War Era veterans is expected to increase from 30 percent in 2013 to approximately 55 percent in 2043 (1). The number of service-connected disabled veterans has increased from approximately 2.2 million in 1986 to 3.7 million in 2013 (1). Over 90 percent of disabled veterans were enrolled in VHA in 2012 (1). The likelihood of service-connected disabled veterans seeking VA health care generally increases with the veteran's disability rating (1). The majority of male veterans who are currently seeking care from VA served during the Vietnam era (1).

As a matter of fact, veteran patients are ailing and have more comorbid disease processes than do age-matched Americans (2, 3, 4, 5, 6). This includes major amputation, where age-specific rates are greater in the VHA compared to the US rates of major amputation (7). Elderly enrolled veterans have substantial disease burden with disproportionately poor health status compared to the same age enrolled in Medicare (8). The prevalence of diabetes is substantially greater among veteran patients compared to the general population, and unfortunately, the prevalence is trending up (6). While diabetes affects 8 percent of the US population, 20 percent of veteran patients carry this diagnosis (9). The aging veteran population combined with these increased rates of diabetes has increased the burden of diabetic foot ulcers and amputations (10). Veteran patients with one or more chronic diseases account for 96.5 percent of total VHA health care (9). In addition to diabetes, some of the most common chronic conditions documented in our veteran patients manifest in the lower extremity such as hyperlipidemia, coronary artery disease, chronic obstructive pulmonary disease, and heart failure (9).

Socioeconomic and psychosocial issues often plague our veterans and further complicate disease management. Veteran patients statistically have lower household incomes than non-veteran patients (1). Sadly, many of our veterans are homeless and suffer from comorbid conditions such as diabetic foot ulcers, sometimes with a level of amputation, so management of this patient population can be extremely challenging. Health care expenses combined with disability and compensation coverage account for the majority of VA utilization and have demonstrated significant growth since 2005 (1).

This is the VA patient population, Mr. Chairman. Our VA provider members serve patients who are statistically comorbid with psychosocial and socioeconomic issues, all of which play a role in the delivery of care and final outcome. I know that the veteran population is far more complex to treat than patients in the private sector, as a whole. Greater than 90% of the veteran podiatric patient population is 44 years and older, with the majority of our patients of the Vietnam era, who are plagued by the long-term effects of Agent Orange. Because of this and because of the increasing number of OEF, OIF, and Operation New Dawn (OND) veterans with lower extremity conditions, one of our major missions as providers of lower extremity care is amputation prevention and limb salvage. The value of podiatric care is recognized in at-risk patient populations. Podiatric medical care as part of the interdisciplinary team approach reduces the disease and economic burdens of diabetes. In a study of 316,527 patients with commercial insurance (64 years of age and younger) and 157,529 patients with Medicare and an employer sponsored secondary insurance, there was noted a savings of \$19,686 per patient with commercial insurance and a savings of \$4,271 per Medicare-insured patient, when the patients had at least one visit to a podiatric physician in the year preceding their ulceration (11). Nearly 45,000 veterans with major limb loss use VA services each year. Another 1.8 million veterans within the VA Healthcare Network are at-risk of amputation. These at-risk veterans include 1.5 million with diabetes, more than 500,000 with sensory neuropathy, and more than 80,000 with non-healing foot ulcers (12). Despite having a large at-risk patient population from the Vietnam era, VA podiatric physicians are seeing increasing numbers of OEF, OIF and OND patients who are at-risk for amputation. Given the magnitude of amputation reductions, podiatric physicians not only provide a cost-savings to VA, but we also play an integral role in the veteran quality of life (12).

While limb salvage is a critical mission of the podiatry service in the VA, the care delivered by the podiatric physician is of much broader scope. As the specialist of the lower extremity, we diagnose and treat problems ranging from dermatological

issues to falls prevention to orthopedic surgery. As one of the top five busiest services in VA, we provide a significant amount of care to our veteran patients and the bulk of foot and ankle care specifically. In fiscal year 2015, the foot and ankle surgical procedures rendered by the podiatry services totaled 28,300, while foot and ankle surgical procedures performed by the orthopedic surgery service was a sum total of 4,047.

The mission of VA health providers is to maintain patient independence and keep the patient mobile by managing disease processes and reducing amputation rates. Podiatric physicians employed by VA assume essentially the same clinical, surgical, and administrative responsibilities as any other unsupervised medical and surgical specialty. Podiatrists independently manage patients medically and surgically within our respective state scope of practice, including examination, diagnosis, treatment plan and follow-up. In addition to their VA practice, many VA podiatrists assume uncompensated leadership positions such as residency director, committee positions, clinical manager, etc. Examples include:

- Steve Goldman, DPM, Chief of Podiatry and Director of Podiatric Medical Education at Department of Veterans Affairs, Northport, NY;
- William Chagares, DPM, Research Institutional Review Board Co-Chair, Chair of Research Safety Committee and Research Integrity Officer and Chair of Medical Records Committee at the James A. Lovell Federal Health Care Center;
- Aksone Nouvong, DPM, Research Institutional Review Board Co-Chair at the West Los Angeles VA;
- Lester Jones, DPM the former Associate Chief of Staff for Quality at the VA Greater Los Angeles Health Care System for eight years, and podiatric medical community representative while serving on the VA Special Medical Advisory Group;

Despite this equality in work responsibility and expectations, there exists a marked disparity in recognition and pay of podiatrists as physicians in the VA. These discrepancies have directly resulted in a severe recruitment issue of experienced podiatrists into the VA, and unfortunately have also been the direct cause of retention issues. The majority of new podiatrists hired within the VA have stories just like these. They have less than ten years of experience and they are not board certified. As a result of the disparity the VA is attracting less experienced podiatric physicians. After hiring, the majority of these new podiatrists that hire into the VA separate within the first 5 years.

Compounding the recruitment and retention issues, there exists lengthy employment vacancies when a podiatrist leaves a station. The gap between a staff departure to the time of filling the position is in excess of one year. Because of employment gaps as a consequence of the inherent and chronic recruitment and retention challenges, wait times within the VA for lower extremity care are unacceptably long. Since October 2014, 22,601 of the 191,501 (11.8 percent) established patients suffered a wait time of greater than 15 days, with some greater than 120 days. During this same time period, 23,543 of the 25,245 (93 percent) new patients suffered a wait time of the same magnitude. The prolonged vacancy exists partly because the VA is not capable of attracting experienced candidates, but also because the credentialing process is ineffectively burdensome. There have been no reported improvements in on-boarding since our last testimony was submitted on this issue in May of 2015.

It is precisely because of the aforementioned issues that legislative proposals to amend Title 38 to include podiatric physicians and surgeons in the Physician and Dentist pay band, have been submitted by the Director of Podiatry Services annually for the last ten years. These proposals have been denied every single year. Additionally, several requests for an internal fix have been denied, despite written letters of support for this movement from the former Under Secretary of Health, Robert Petzel, MD.

Six years ago the APMA's House of Delegates passed a resolution making this issue a top priority. Since then we have alerted the VA to our knowledge of this issue. In response, former Under Secretary Petzel created a working group composed of Dr. Rajiv Jain, now Assistant Deputy Under Secretary for Health for Patient Care Services, Dr. Margaret Hammond, Acting Chief Officer for Patient Care Services, and Dr. Jeffrey Robbins, Chief of Podiatry Service. We have participated in several meetings with members of the working group and, most recently, we have received written support of Patient Care Services and Podiatry Service for a legislative solution to address this issue.

Occam's razor is a problem solving principle whereby the simplest solution is often the best. I submit testimony to this committee today to respectfully request that Congress help the VA and its patients by passing legislation to recognize podiatric physicians and surgeons as physicians in the physician and dentist pay

band. We believe that simply changing the law to recognize podiatry, both for the advancements we have made to our profession and for the contributions we make in the delivery of lower extremity care for the veteran population, will resolve recruitment and retention problems for VA and for veterans. Mr. Chairmen and members of the Subcommittees, thank you again for this opportunity.

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12.Preventing Amputation in Veterans Everywhere (PAVE) Program

