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June 27, 2024

The Honorable Denis R. McDonough
 Secretary
 U.S. Department of Veterans Affairs
 810 Vermont Avenue, NW
 Washington, DC 20420

Dear Mr. Secretary:

I am writing to express my concern over Dr. Shereef Elnahal's performance as Undersecretary for Health at the Department of Veterans Affairs (VA). Specifically, over the past two years, Dr. Elnahal has consistently failed to meet the high standards expected of a VA Undersecretary by displaying poor judgment and the inability to effectively manage the Veterans Health Administration (VHA).

For the first time in memory, VHA has implemented nationwide hiring restrictions and is desperately cutting a wide range of projects and programs. Despite consistently receiving 100 percent of its budget request and more than \$32 billion in supplemental appropriations over the past four years, VHA's budget is in disarray. In addition to Chief Financial Officer Jon Rychalski, who recently left the Department, Dr. Elnahal bears responsibility for this budgetary mismanagement.

Dr. Elnahal's inability to effectively manage VHA is also demonstrated by his actions approving the Critical Skill Incentive (CSI) bonus payments. For nearly six months, VHA methodically planned, implemented, and distributed CSI bonuses, ranging from around \$39,000 to more than \$100,000, to nearly every senior executive in the VHA Central Office (VACO). Dr. Elnahal allowed these bonus payments to occur without informing you, without adequately following relevant VA policy, and without adhering to the law. I know you agree this is clearly unacceptable. Dr. Elnahal's comments to the VA Office of Inspector General (OIG) during its CSI bonus payment investigation were equally concerning. Throughout his comments, Dr. Elnahal made clear his lack of knowledge of the basic inner workings of the administration he is tasked with leading, including no awareness of the number of CSI bonus payments to senior executives he approved.¹ On top of this, I am concerned Dr. Elnahal may have provided misleading information about his availability to testify at the Committee's June 4, 2024, hearing on the CSI investigation—only to appear at public events the next week and thereafter. Rather than explaining his actions and taking responsibility before Congress and the American people, he filled his schedule attending and speaking at various events. These are not the actions of a true leader.

¹ See VA OIG's May 9, 2024, report titled: VA Improperly Awarded \$10.8 Million in Incentives to Central Office Senior Executives, p. 35.

Dr. Elnahal has also exhibited poor judgement in his past misguided comments on community care. Dr. Elnahal has compared the VA community care program to an “easy button” that VA should reduce its reliance on.² Dr. Elnahal also stated how VA must offer every single internal VA care option to veterans before VA “default[s] to the community.”³ Such comments are contrary to the plain letter and Congress’s intent in the *VA MISSION Act of 2018*, and they undermine veterans’ rights and law. As you know, community care exists to provide veterans with options for where to receive the healthcare that best suits their needs. No executive branch official, including Dr. Elnahal, has the authority to ignore or reinterpret the law.

Dr. Elnahal’s poor judgment and inability to effectively manage VHA was further showcased by the recent handling of the “V-J Day in Times Square” photo ban. As you know, in early March 2024, a VHA Veterans Integrated Services Network (VISN) memorandum, which Dr. Elnahal allegedly agreed with, instructed VISN directors to remove this iconic photo from display in all VHA facilities. In your June 13, 2024, letter to me on this topic, you admitted the memorandum should not have been issued, VHA made this decision without your knowledge or approval, and that you rescinded the memorandum immediately. As the leader of VHA, Dr. Elnahal should have been aware and astute enough to realize the memo was problematic. Additionally, Dr. Elnahal should have confirmed the memorandum, which would have made a significant policy decision if implemented, went through the appropriate review process, including ensuring it received your approval, prior to it being released to VISNs.

On Dr. Elnahal’s watch, the management, standard of care, and work environment has allegedly deteriorated at health systems throughout VHA, most alarmingly the Loma Linda Healthcare System, the Hampton Virginia Healthcare System, and the Eastern Colorado Healthcare System. Ineffective leadership at the top has undermined the confidence of veterans and employees, and we are seeing its ripple effects throughout the organization. I look forward to hearing how you plan to address Dr. Elnahal’s poor leadership to ensure our nation’s veterans, their families, and their survivors can have trust in the VHA they have earned.

Sincerely,



MIKE BOST
Chairman

Cc: The Honorable Mark Takano, Ranking Member

² Dr. Elnahal made these comments in an address broadcast to VHA employees, viewed by Committee staff in December 2023.

³ Dr. Elnahal made these comments in an address broadcast to VHA employees, viewed by Committee staff in December 2023.