

United States Senate
WASHINGTON, DC 20510

Pittsburgh

August 19, 2003

Mr. Richard E. Larson
Executive Director, CARES Commission
Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20480

Dear Director Larson:

I write today concerning the Department of Veterans Affairs (VA) Capital Asset Realignment for Enhanced Services (CARES) Commission field hearings scheduled to be conducted in Pittsburgh and Coatesville, Pennsylvania during August.

Unfortunately, I will be unable to appear in person before the Commission at either the August 27 or August 28 hearings. I respectfully ask that the enclosed statement be placed in the record for both of these CARES Commission field hearings.

I appreciate your attention to this request and for your kind consideration of my enclosed remarks as the Commission considers the draft national CARES plan.

Sincerely



Rick Santorum
United States Senate

Enclosure

Testimony for the Record
U.S. Senator Rick Santorum
Department of Veterans Affairs Capital Asset Realignment for Enhanced Services Commission
Veterans Integrated Service Network 4
Pittsburgh, PA & Coatesville, PA Field Hearings
August 27 and August 28, 2003

Chairman Alvarez, I appreciate the opportunity to submit testimony to the Department of Veterans Affairs (VA) Capital Asset Realignment for Enhanced Services Commission for these field hearings in Pittsburgh and Coatesville, Pennsylvania. Regrettably, I am unable to appear before you at these field hearings but I ask that you consider my remarks as the Commission reviews the draft national plan.

I appreciate the Commission's commitment to hold two field hearings in Pennsylvania given the level of anxiety expressed by many veterans, VA workers and elected officials with the VA's review. Prior to the release of the draft plan, many press reports suggested that the Commission's review would lead to the closure of VA facilities around the country or a shifting of resources towards America's sunbelt regions.

As you know, the U.S. General Accounting Office (GAO) recently designated federal real property, including VA health care infrastructure, and federal disability programs, including VA disability benefits, as high-risk in a January 2003 report to Congress. In addition, GAO completed a review that found the VA spent one out of every four dollars on maintaining and operating medical buildings. Many of these buildings were constructed in the 1950s and are in need of major renovation. GAO recommended, and the VA agreed, that these funds could be better spent on treating veterans.

In June 2002, the VA initiated a review, called Capital Asset Realignment for Enhanced Services (CARES), which reviewed the VA health care delivery system for both near-term (2012) and long-term (2022) periods. The purpose of CARES is to evaluate the health care provided by the VA, identify ways to better meet veterans' health care needs, and adjust or re-orient VA medical facilities and services to more effectively and efficiently deliver care. In essence, this review is being undertaken to determine whether there is a mismatch between the future needs of VA patients and the organization of the VA system.

The VA was designed at a time when inpatient care was the primary focus, with long admissions for diagnosis and treatment. The past 10 years have seen a shift in the way the VA operates. As part of its strategic operational plan, the VA has sought to control costs by shifting from a hospital-based system to an integrated system which focuses on prevention; early detection; health care promotion; and easier access to care. This change is seen in the VA's efforts to treat more veterans in community-based outpatient clinics (CBOCs), where care is provided in an outpatient setting. At the same time, as noted by the Veterans of Foreign Wars of the United States (VFW), with approximately 40% of the nation's 24 million veterans over the age of 65, the health care needs of the VA's population have also changed with time.

This past spring, leadership within VISN 4, representing Pennsylvania, Delaware, and portions of West Virginia, developed a series of recommendations--in consultation with the Department's National CARES Program Office--for addressing the anticipated demand for veteran health care service in FY 2012 and beyond (FY 2022). These recommendations were crafted to best address the veteran population of VISN 4 and on the goal of improving the efficiency and effectiveness of the nation's VA health care delivery mission in the future. The VA CARES Commission is now reviewing the plans submitted by the various VISNs.

According to the 2000 Census, Pennsylvania has a veteran population of approximately 1.3 million veterans, a total surpassed by only four other States. Therefore, I regard these field hearings and the final recommendations that are submitted to Secretary Anthony Principi to be of the utmost importance to the veterans who live within the VISN 4 region. It is my hope that you and other members of the Commission will give weight to the comments expressed here today, and that these comments will shape the final recommendations submitted to Secretary Principi.

Let me begin by addressing the transformation process that the Department has embarked upon. Many of my constituents have expressed concern that the CARES process would lead to the closure of VA hospitals and facilities in much the same fashion as the Department of Defense, through the Base Realignment and Closure Commission (BRAC), has closed military installations. However, in the BRAC process used by the Department of Defense, Congress has the opportunity to vote up or down to accept the BRAC Commission's recommendations. In the CARES process, the Congress will not have the opportunity to cast an up or down vote. Instead, Congress will have the opportunity to either fund or not fund the Secretary's final recommendations through the annual authorization and appropriations process.

Many of the recommendations in the draft CARES plan (should they be endorsed by Secretary Principi) will require major construction efforts in order to achieve the efficiencies envisioned by the plan. I am concerned that if these recommended projects are not funded through the appropriations process, underfunded or delayed, the ability to treat and care for VA patients will be diminished. In some cases, the draft report recommends closure of certain facilities. Any delay in beginning the projects designed to accommodate work shifts to other VA facilities would be counterproductive to the transition. Furthermore, under the current arrangement, it has been an arduous process to secure funding for construction projects that support valid and documented needs of our VA medical centers. I am somewhat skeptical that this process will change or be improved upon by the Fiscal Years 2005 and 2006 time period.

I also have reservations on the VA's plan to execute a transformation of its hospital system and health care delivery network in such a rapid manner. I have doubts with the ability of such a transformation happening in the time envisioned or as smoothly as anticipated. CARES was modeled after the efforts of a single VISN pilot assessment. It is not clear to me that all of the remaining VISNs--each with their unique patient populations--will be able to swiftly move to align themselves with the Secretary's final recommendations. Again, as noted above, funding delays or changes to construction projects may delay the transformation the VA hopes to realize. In the end, such a disruption would hurt not only the VA's patient population, but also its physicians, nurses, researchers and other employees.

Regarding the draft recommendations for VISN 4, the results are mixed for the Commonwealth and our veteran patients. While I am pleased to see the recommendation of the establishment of new CBOCs in Northampton County, Pennsylvania and Gloucester, New Jersey, areas within VISN 4's "Eastern Market," I am concerned with the major changes recommended in VISN 4's "Western Market." The changes recommended for the VA's Highland Drive facility in Pittsburgh and the three small facilities serving the needs of veterans in Altoona, Butler and Erie are serious and need to be examined closely.

In the Eastern Market, the VISN 4 proposal does not project major changes. However, due to the projected increase in demand for inpatient medicine, outpatient primary care, and outpatient specialty care for eastern Pennsylvania, I would hope the Commission will make sure there are adequate resources to address these projected increases in usage. Furthermore, I ask that the Commission review whether the five current medical facilities and community providers have the financial and personnel resources to respond to this projected increase in patient usage. I am optimistic that funds will be identified to support expanded ambulatory care services for all five Eastern Market facilities; that funds will be

allocated to construction and renovation activities for nursing homes at Lebanon and Coatesville; and that a Spinal Cord Injury (SCI) outpatient clinic can be established in Philadelphia.

Because there are two acute care hospitals within 60 miles of one another in the Western Market, VISN 4 was directed to look at changing the mission and/or realignment of these facilities. In Pittsburgh, three VA facilities (University Drive, H.J. Heinz, and Highland Drive) fall within this 60-mile range. The VISN 4 draft plan recommends consolidating three facilities into two by sending mental health care services from Highland Drive to the University Drive facility. If this recommendation is agreed to by the Commission and the Secretary, this would put mental health services into the same installation where primary care services are delivered. Additionally, other services performed at the Highland Drive facility would be moved to the H.J. Heinz facility in Aspinwall. This recommendation would see the VA's Highland Drive facility closed.

These actions are projected to generate the VA \$90 million in savings over 6 years. However, if agreed to, the recommendations would require the VA undertake major construction projects at both University Drive and H.J. Heinz to accommodate the transfer of Highland Drive services. Estimates are that the cost to establish new facilities for psychiatry, mental health, related research activities, and administrative research will come close to \$92 million. Should this recommendation be accepted by Secretary Principi, funds would have to be identified and provided by the VA to make the shifting of services from the Highland Drive facility to other facilities. I remind the Commission of the difficulty of delivering on these construction funds and that it not undermine the delivery of care to those in need. The patients who utilize this system of health care have served our country with honor and distinction. They deserve services that are commensurate their military sacrifice.

Based on projections of future VA patients in the Western Market, the VISN 4 plan recommends increased reliance on CBOCs for specialty care, including the addition of three new CBOCs. This recommendation is welcome but guarded, as the proposed CBOCs are not in the national high priority category. Regrettably, the VISN 4 recommendations also envision changes at three small facilities serving veterans in western Pennsylvania. According to the CARES process, a "small facility" is a facility that: 1) provides acute hospital bed services; 2) has acute medicine beds; and 3) has a projected number of acute beds for medicine, surgery and psychiatry in 2012 and 2022 to be less than 40 beds. While important services are retained by all three small facilities, significant changes are recommended for VA facilities in Altoona, Butler, and Erie. However, given the concern raised by my constituents, I am pleased to see that none of these facilities has been recommended for closure.

With respect to Altoona, the recommendations entail the closure of acute bed services by 2012 through contracting with the local community and referrals to the VA facilities in Pittsburgh. Altoona would retain its outpatient and nursing home care services. Regarding Butler's services, the facility, because of its 36-mile proximity to Pittsburgh, will either refer acute inpatient services to VA facilities in Pittsburgh or contract with local providers. Butler too will lose its acute care beds. Recommendations further include the contracting of current Butler VA emergency services with local providers and the retention of outpatient services and nursing home care. Finally, while the Erie facility would retain its acute beds nursing home care and outpatient care services, it would convert inpatient surgical beds to surgical observation beds and refer complex surgical procedures to Pittsburgh or to a local provider. Surgical procedures done at Erie would be limited to outpatient surgeries. The draft recommendations note the proximity of Erie to high quality care in Pittsburgh, Cleveland, and Buffalo as a factor in the draft recommendations for Erie. The recommendations also assume capital construction projects for Altoona, Butler, and Clarksburg, West Virginia.

I would also like to raise an issue that I believe must be considered by the Commission when studying the

Senator Santorum

recommendations impacting these small facilities in the Western Market. As you may know, weather conditions in western Pennsylvania, four or five months of the year in a place like Erie, could make travel to Pittsburgh for complicated surgery a burden, for patients and their families. I believe it is important that patient needs be made the first consideration when setting up criteria for when to send patients out of town, and when to send them to a local hospital for "complicated" surgery. I urge the Commission to never lose sight of the needs of the patient when considering this draft plan.

It would not be appropriate for me to end mark remarks without recognizing the cadre of skilled, dedicated and passionate VA physicians, nurses, researchers and others who made the VA what it is today. As you and others on the Commission may know, I was born and raised on the grounds of a VA hospital facility. I know the level of dedication shown by the VA's workforce as my parents were employed by the VA for over 30 years. Patients who receive treatment at the VA receive treatment that is as good if not better than treatment and care they could receive elsewhere. A hospital or medical center or health care network is more than just buildings and equipment. A first-rate medical system is comprised of loyal and dedicated people who are constantly seeking to improve the way they provide care and approach problems from new directions. Such is the way our VA health care system works. One of the reasons patients have expressed so much concern with this review process is the reluctance to move away from a model that is successful in meeting their needs and those of their families. The VA is still looked to as an entity that will push and drive medical science and promote new methods in the delivery of health care to our veteran patients. Any review that proposes to make the VA more efficient and better in tune with projected needs must also never sacrifice or impede the efforts of our care givers or researchers who are striving to improve the quality of life for all VA patients.

Chairman Alvarez, thank you and members of the Commission for your willingness to conduct these field hearings and for your consideration of my statement in this review process.