AAMC

Association of
American Medical Colleges
655 K Street, N.W., Suite 100, Washington, D.C. 20001-2399
T 202 828 0460 **F** 202 862 6161
www.aamc.org

Darrell G. Kirch, M.D.
President and Chief Executive Officer

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The Honorable Robert McDonald
Secretary of Veterans Affairs
Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary McDonald:

Thank you for your stewardship of the Department of Veterans Affairs (VA) and your ongoing efforts to ensure the highest quality health care for our nation's veterans. Our communities have enjoyed a 70-year history of academic affiliations to help care for those who have served. With this shared duty in mind, I write to highlight potential risks to VA-academic affiliations as the agency develops a plan to consolidate mechanisms for acquiring veteran care in the community. Specifically, the Association of American Medical Colleges (AAMC) supports a referral preference for academic affiliates to preserve VA's statutory education mission to best serve the medical needs of veterans.

The AAMC is a not-for-profit association representing all 144 accredited U.S. medical schools, nearly 400 major teaching hospitals and health systems, including 51 VA medical centers, and nearly 93 academic and professional societies. Through these institutions and organizations, the AAMC represents 148,000 faculty members, 83,000 medical students, and 115,000 resident physicians.

As you know, the Veterans Health Care Choice Improvement Act of 2015 (P.L. 114-41) requires the VA to "develop a plan to consolidate all non-Department provider programs by establishing a new, single program to be known as the 'Veterans Choice Program' to furnish hospital care and medical services to veterans enrolled in the system of patient enrollment established under section 1705(a) of title 38, United States Code, at non-Department facilities."

AAMC welcomes the opportunity to streamline and improve the efficiency of VA contracting with the nation's medical schools and teaching hospitals. Unwieldy and drawn-out clinical contracting has damaged these relationships, despite their potential to greatly expand the reach of the Veterans Health Administration (VHA). Several of these issues have been raised previously by AAMC and academic affiliates without subsequent VA contracting reform. For example, as the VHA faced patient-access issues across the country, 161 of our member medical schools and teaching hospitals have told us they had the capacity to help, yet were often stymied due to contracting hurdles — delaying and in some cases preventing veterans' access to health care.

Fee-basis care through the Patient-Centered Community Care (PC3) program inserts a middleman between longtime partners, resulting in a conflict of interest, delayed and misdirected referrals, additional costs for the VA and lower reimbursement rates for affiliates, and unnecessary administrative burden for all parties. The inefficient processes for onboarding physicians/institutions, including verifying credentials, through third party administrators has caused further delays. Due to these disadvantages, we are approaching a dire tipping point, in which academic affiliates question the value of participation in these programs (especially when reimbursement rates are lower than Medicare).

Currently, VA Directive 1663, in accordance with 38 U.S.C. §8153, states that when contracting for health care resources, "sole-source awards with affiliates must be considered the preferred option whenever education and supervision of graduate medical trainees is required (in the area of the services contracted)." This preference serves multiple purposes:

- **Maintaining VA Graduate Medical Education (GME) for Recruitment**
  There is a pressing need for VA physicians now and in the future. Currently, 127 VA facilities have affiliation agreements for physician training with 130 of the 144 U.S. medical schools. These partnerships facilitate the joint recruitment of faculty to provide care at both institutions. VA GME programs also educate new physicians on cultural competencies for treating veteran patients, and help recruit residents to the VA after they complete their training. According to results from the VA's Learners Perception Survey, residents that rotate through the VA are nearly twice as likely to consider employment at the VA. The Veterans Choice Act recognizes the importance of this recruitment to addressing VHA's health professional shortages by creating up to 1,500 new VA GME positions.

  All VA residency programs are sponsored by an affiliate medical school or teaching hospital. Without these affiliations, VA programs would be unable to meet the requirements set by the Accreditation Council for Graduate Medical Education (ACGME). Sole-source contracts with academic affiliates help ensure an adequate and diverse patient load necessary for GME program accreditation.

- **Improving Veterans' Access to Complex Clinical Care**
  VA sole-source contracting allows academic affiliates to plan, staff, and sustain infrastructure for certain complex clinical care services that are scarcely available elsewhere. Faced with an inability to plan for a consistent patient load from the VA, teaching hospitals may scale back certain costly services, thus reducing veteran access through fee-basis mechanisms like PC3 or the Veterans Choice Program.

  AAMC teaching hospitals provide around-the-clock, onsite, and fully-staffed standby services for critically ill or injured patients, including 71 percent of all American College of Surgeons (ACS)-certified Level 1 trauma centers; 73 percent of all burn care units; 74 percent of Joint Commission Advanced Certification Comprehensive Stroke Centers; and between 67 and 87 percent of heart, lung, liver, and bone marrow surgical transplant

services. VHA sole-source contracts with academic affiliates help ensure timely access to these services outside the VA.

- **Nurturing an Academic Medicine Environment at the VA**
  VA's statutory education mission helps ensure for veterans the highest level of health care that is associated with the nation's medical schools and teaching hospitals. Likewise, VHA sole-source contracting with academic affiliates reinforces the mutually beneficial partnerships with academic medicine.

  The combination of education, research, and patient care at academic medical centers cultivates a culture of curiosity and innovation. Medical faculty must be skilled in the latest clinical innovations to train the next generation physicians that will care for veterans. State-of-the-art technology and groundbreaking treatments jump quickly from the research bench to the bedside, enhancing the quality of care provided to patients, including access to a majority of National Institutes of Health (NIH)-funded clinical trials. Without strong clinical ties to academic affiliates, this tripartite mission is put in jeopardy.

As such, the AAMC recommends that the proposed Veterans Choice Program currently being planned continue a preference for academic affiliates when the education mission is impacted. The Veterans Choice Program should also continue full Medicare reimbursement rates, including medical education costs. Additionally, we respectfully ask that VA consult representatives from the academic affiliate community as the agency develops a plan for Congress. The VA previously established the National Academic Affiliations Council (NAAC) federal advisory committee for this very purpose.

I look forward to working with you to ensure the next seventy years of our historic partnership is as successful as the first seventy.

Sincerely,

Darrell G. Kirch

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