

**Department of Veterans Affairs (VA)
Federal Advisory Committee on
Special Medical Advisory Group (SMAG)
Meeting Minutes December 1, 2010
VA Central Office
Washington, DC**

The Special Medical Advisory Group met on December 1, 2010, at VA Central Office in Washington, DC. A quorum was present, affording the Committee the opportunity to conduct normal business.

Members Attending

Robert J. Alpern, MD
Dean, Ensign Professor of Medicine
Yale University School of Medicine

*Linda R. Cronenwett, PhD, RN,
FAAN
Professor
School of Nursing, UNC-Chapel Hill

Sr. Rosemary Donley, PhD, APRN,
ANP, BC, FAAN
Jacques Laval Chair in Justice for
Vulnerable Populations
Duquesne University School of
Nursing

Alden N. Haffner, OD, PhD
President Emeritus
State University of New York
State College of Optometry

Darrell G. Kirch, MD (Chairman)
President
Association of American Medical
Colleges

*Harlan Krumholz, MD, SM
Harold H. Hines, Jr. Professor of
Medicine and Epidemiology and
Public Health
Yale University School of Medicine

Wayne M. Lerner, DPH, FACHE

President and CEO
Holy Cross Hospital

Charles L. Rice, MD
President
Uniformed Services University of the
Health Sciences

Yvette Roubideaux, MD, MPH
Director
Indian Health Service, Department of
Health and Human Services

*Members Not in Attendance

VA Attendees

Dr. Robert A. Petzel, MD
Under Secretary for Health

Dr. Robert L. Jesse, MD, PhD
Principal Deputy Under Secretary for
Health

Laura O'Grady, RN, MSN
Assistant Deputy Under Secretary
for Health for Clinical and
Organizational Support

Robert M. Baum
EA to the Principal Deputy Under
Secretary for Health
Designated Federal Officer

Guests

Vi Song Tring, ENS, MC, USNR
National President, Student
Association of Military Osteopathic
Physicians and Surgeons

Deborah Crandall, JD
Associate Director, Federal Payment
Policy and Regulatory Affairs
American Physical Therapy
Association

Michael J. O'Rourke
Assistant Director, Veterans Health
Policy

Veterans of Foreign War

Elvin Valenzuela
Staffer
Senate Veterans Affairs Committee

James Patrick Cordes
Court Reporter
Neal R. Gross and Co., Inc.

Shane Barber
Veterans of Foreign Wars

Gloria Romanelli, JD
Senior Director, Legislative and
Regulatory Relations
American College of Radiology

Introductions and SMAG Goals

Dr. Darrell Kirch

Dr. Kirch opened the meeting by expressing his thanks to former SMAG Chair, Dr. Thibault.

SMAG members introduced themselves and discussed goals for SMAG. Goals included the following:

- To determine how VA interacts within this massive change from health care reform and not to think of VA as an isolated system
- To define how VA interacts with the greater health care system
- To reiterate that SMAG is an organization that assists in providing viewpoints outside the VA system
- To ask how does/can VA interact in light of health care reform with an emphasis on team care and team training
- To help make policy for the individual Veteran
- To have DoD and VA work more closely with an emphasis on patient safety
- To discuss delivery systems as well as reform on a policy basis
- To discuss how to share VA's lessons with outside world and vice versa
- To refocus on the patient given a lack of coordination in care delivery
- To ensure Veterans are getting the best care
- To continue meaningful affiliations and facilitate good research
- To ensure federal health care systems are involved in health care reform
- To obtain expertise and guidance of stakeholders
- To discuss how to view health care as a network

Welcome

Dr. Robert Petzel

Dr. Petzel discussed reorganization. His top three priorities were reiterated: (1) creating a vision for VA; (2) aligning the organization to ensure it reaches this vision; and (3) reducing variations within the system in organizational structures, care practices, and business processes. The reorganization of the Veterans Health Administration (VHA) was just announced—its goals were to improve delivery of health care to Veterans, to be cost-neutral, and to provide enhanced program accountability. The organizational structure better aligns VHA headquarters. Additionally, policy and clinical operations will be reorganized. Dr. Petzel shared with the SMAG the new VHA organizational chart.

The transformational initiatives—particularly Patient Aligned Care Teams (PACT), Telemedicine, and transparency—were discussed. Dr. Petzel also raised the four methods of continuous improvement: data, methodology, time, and empowerment.

A group discussion followed Dr. Petzel's presentation. A recommendation was raised to conduct a study on benefits compared to medical care and prescription use and how this relates to the lack of care for dependents. One of the driving interests in telehealth is changing what defines the health care network; long-term connectivity was discussed. The key for telehealth is to redefine what constitutes a health care network. The issue of what kind of linkage exists between VA and the Indian Health Service (IHS) raised a discussion of dual eligibility. SMAG members asked how to make the best use of limited resources. From the systems and provider perspective in health reform, VA must structure the health care system from the provider side so that patients choose, not have, to come to the provider.

VA's ability to provide individualized care to the Veteran was praised; SMAG members suggested a need for holistic resources to be provided to patients, such as social services; there is also a need to study the value that social services provide to patients. Dr. Jesse reiterated the goal that VA's goal is not to manage diseases but to manage patients. The issue was raised of undocumented services provided for spouses of chronically, often elderly, ill (e.g. bereavement counseling); are these family services documented? SMAG members raised the concern that if they do not know of services provided for caregivers within the VA system, Veterans may choose cheaper health care options outside VA.

The following question was asked: is there any way to compare what the cost is to care for a patient in VA versus outside VA? Dr. Petzel responded that studies on the cost of individual episodes of care exist. Regional data on the costs of delivery, as Medicare uses, has been compiled. There is variation within VA but not to the extent as with Medicare. The nature of such variation is that comparisons such as these are not completely perfect. VA does not have physician incentives to provide more care given salaries. Dr. Jesse discussed that VA is in a unique situation because it has much more comprehensive information on each patient, based on shared records with the Department of Defense (DoD). SMAG members suggested that VA should look at whether individual surgeries or episodes should be treated based on cost versus medical environment. This also depends on what resources are available (e.g. past medical records). The following questions were raised: Are clinical tools used for diagnosis or for profit base? What are projections on shifts for utilization for insurance coverage? VA is a learning laboratory for key elements of the desired health care system; this gets politically obscured in the debate over government-run health care.

This raises additional questions: What is VA's message from a public relations standpoint—if VA is the health care system of the future, how is this translated in a manner that is not isolationist? There is a lack of information sharing and cross-learning between agencies; SMAG members reiterated the need for a federal interdepartmental task force on transformation of health care. Dr. Petzel responded that there is significant effort to interact and share between the Center for Medicare and Medicaid Services (CMS), VA, IHS, and DoD.

Public Relations and Marketing

John Hale

John Hale, Chief Officer, VHA Office of Communications, discussed communications initiatives. Communications strategy must be centered on enterprise strategy (focused on the delivery of health care). Booz Allen Hamilton has been hired by VHA to help present a communications strategy to the Under Secretary for Health. Hospital Compare provides most extensive amount of health quality information available to the public on VA. The medical center presence is also greatly expanded online. Mr. Hale discussed branding and the positive outcomes VA has begun to see from its branding strategies. The Office of Communications is tasked with the campaign to deliver the vision of Dr. Petzel and VHA to consumers and stakeholders. VA is seeking to increase national awareness of VA health care as an industry leader. This is particularly important given health care reform, as more options are available for Veterans. The EXCELLENCE campaign was detailed.

A discussion began regarding Mr. Hale's presentation. A question was raised regarding how to combat negative publicity; a suggestion was provided that leadership should sit down with media and stakeholder to have trusted conversations to ensure that the information is clear and transparently conveyed. Recognition of an effective brand is who talks about it; VA is sometimes not included as a model health care system in these conversations. How do we plant VA in the mainstream vernacular? Most hospitals look at patient satisfaction; how does VA start to get benchmark data (such as press ganey satisfaction surveys)? VA needs empirical data in a marketing sense, which it does not yet have, because restrictions in government exist to affect what information can be gathered on patient satisfaction. SMAG members discussed the need to be more professional, empirical, and systematic in how to approach the way VA collects and disseminates data. Although VA does not have baseline metrics; these may be higher than believed. A brand is a measure of trust; VA seeks to raise the brand awareness.

The need for benchmarks was discussed. Patient satisfaction measurements are the same as those Medicare uses; the industry no longer uses press ganey; now VA uses the same system as the private sector. If VA uses quantification of metrics with quality of service, this is positive information that can be provided to the media and which tells an effective story. SMAG members asked whether there is an acknowledgement of past failures by VA in the media? Mr. Hale responded that yes, the goal is to also educate internal executive audiences and then to provide information to external audiences. Evidence is necessary to show, not tell, the public, in an effort to build trust externally and internally.

Enhancing the Role of SMAG

Dr. Darrell Kirch

Dr. Kirch sought the input of SMAG members on discussion and agenda items. The following recommendations were raised:

- Presentations are largely informational, so it would be more efficient to identify challenges rather than just present, so that members could react to those challenges in the form of targeted questions to the group.
- Summary of the agenda items to be discussed should be distributed early; past SMAG meetings have lacked suggestions and recommendations for future meetings.
- Agenda items should come from the needs of VHA leadership.
 - Dr. Petzel responded that he wants input on the external reality from SMAG members, and that members may wish to communicate with one another outside the meetings via a mail group or other mechanism.
- Regarding density: how much information should be in each meeting? It might be helpful to have discussions on similar items take place concurrently, leaving more time for more difficult challenges and discussions.
- Regarding diversity of perspectives: one or two more possible appointments to the SMAG are in its future. Dr. Kirch asked what perspectives members feel are missing.
 - Members suggested a VSO representative; that the SMAG is possibly too heavy on the clinician side, so a social support individual rather than a clinical might be useful to assist in discussing a Veteran's transition back to the community, post-acute care side.

Compensation and Effect

Brian McVeigh

Brian McVeigh, Human Resource Officer, led a discussion of the physician and dentist pay system, which was revamped in January 2006. He provided an overview of the different pay tables for different specialties, which were formed by looking at national surveys, recruitment/retention issues, and adjusting pay ranges accordingly. Pay is initially determined by a compensation panel. The maximum total compensation for physicians and dentists is \$400,000. For non-physician executives in the Senior Executive Service, pay is not competitive with private sector.

An Office of Personnel Management 2008 survey found that over 50 percent of the Senior Executive Service (SES) plans to retire in the next three years. The unionization of physician and non-physician employees was discussed.

The question was raised whether VA has solved its physician recruitment problem? Mr. McVeigh responded that generally, yes. In some specialties, VA almost exclusively relies on contracts because it cannot compete with salaries provided in the private sector. SMAG members commented on the lack of younger medical school graduates going into hospital administration. VA Human

Resources (HR) has identified the challenge of trying to recruit/retain non-physician/non-dentist health care executives. The key is to have tools available to local HR in order to be able to appropriately attract the best candidates for a job.

The pay freeze was briefly discussed; it follows the general schedule, which covers most Title 5 and all Title 38 employees.

SMAG members recommended that VA move ahead on its legislative proposal to close the gap between physician and non-physician executive pay in the public and private sectors. VA needs the flexibility to be more competitive in problem areas where incentives are necessary.

Blue Ribbon Panel (BRP) Report

Dr. Karen Sanders

Dr. Karen Sanders, Deputy Chief Officer, Office of Academic Affiliations (OAA), discussed the BRP Report recommendations. Three themes were identified: (1) clinical care, (2) governance, and (3) regulatory overload.

First, clinical programs and the clinical delivery system through the re-alignment of primary care into PACT were discussed.

Recommendations were made for increasing the number of VA-funded graduate medical education (GME) positions; VA wants to continue to expand GME to support the new initiatives more closely.

A governance recommendation was provided to create a national academic affiliations council (NAAC) under the Federal Advisory Committee Act. SMAG members asked where in the concurrence process this is. The NAAC will be looking broadly at affiliations. It has very diverse group membership.

SMAG members recommended expanding relationships with minority medical schools and trainee exchanges with DoD. Unfortunately, for trainee exchanges with DoD, a lengthy period for execution is involved; OAA is currently developing a template to be approved ahead of time for MOUs between VA/DoD to expedite this process.

SMAG members suggested that VA examine indirect education costs for GME; are there legal mechanisms for reimbursing indirect costs? The right mechanism may be a sole source contract.

Dr. Sanders covered the regulatory overload progress to date with regard to information technology and difficulty in connectivity between VA and its affiliates; limited software tools need to be updated. The handbook on sole source contracting is being rewritten.

SMAG members inquired about which problems identified by the BRP greatest hamper VA care. Dr. Sanders responded that IT issues are paramount given IT's ability to greatly improve or impair the care and safety provided to Veterans.

SMAG members reiterated its serious concern regarding the availability of IT methods and tools for trainees and clinicians and the need for an Office of Information and Technology (OI&T) mechanism for assessing and prioritizing issues of critical clinical importance.

One NAAC agenda item was suggested: if the VISN is VHA's functional unit, what is the appropriate connection of each affiliate to the VISN? The NAAC should consider the recommendation that VISN directors meet at least once a year with the facility director, affiliated dean, and senior staff to discuss affiliation issues.

Recommendations:

1. Future Agenda Items:
 - A senior HHS representative to discuss the differences and potential collaborations with both agencies' transformation efforts
 - Given the current economic, fiscal, and legislative climate, a discussion of the effect on VA and long-term capital
 - What health care reform means for VA in terms of its fiscal and capital investment picture
 - Update from the NAAC Chair
 - Presentation of VA's benchmark data against metrics of all affiliates (press ganey/Medicare survey)
2. Questions to be addressed by VA (topics may be recommended for future agenda topics):
 - Is there any documentation of the services provided to family members of Veterans?
 - Is there any way to compare what the cost is to care for a patient in VA versus outside VA?
 - Are clinical tools used for diagnosis or for profit base? What are projections on shifts for utilization for insurance coverage?
 - What is VA's message from a public relations standpoint—if VA is the health care system of the future, how is this translated in a manner that is not isolationist?
 - How do we plant VA in the mainstream vernacular? How does VA start to get benchmark data (such as press ganey satisfaction surveys)?
 - Are there legal mechanisms for reimbursing direct costs of GME?
3. Other Deliverables:
 - VISN leadership to be present at every deans' meeting and the need for a regular meeting between network leadership and the deans
 - Reiteration of the need for an OI&T mechanism for assessment of issues of clinical importance and a mechanism to ensure clinical modules are provided adequate priority and resources

- Under Secretary for Health's and Secretary's support and continued pursuit of VA's legislative proposal to lessen the pay gap between physician and non-physician executives in the public and private sector
- VA should seek means to create a Federal interdepartmental work group on health care transformation
- The SMAG would like any Information regarding undocumented benefits to Veterans and their families: services provided to dependents and the value of social services