



OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

June 12, 2014

Mr. Sloan D. Gibson
Acting Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, N.W.
Washington, D.C. 20420

Dear Acting Secretary Gibson:

I remain deeply concerned about recent findings of questionable scheduling practices at many Veterans Health Administration (VHA) medical centers and community-based outpatient clinics around the country, including some facilities in Texas. It is in the spirit of honoring our nation's commitment to our veterans that I write to you today.

The Department of Veterans Affairs (VA) and Congress have taken important steps to address the shortcomings at VHA, including the immediate suspension of the VHA Bonus System. However, there is still more to be done, and the VA's internal audit found that the most significant barrier to timely health care access was a lack of capacity to handle the sheer number of veterans who need care. It is clear to Texans that VHA needs immediate support to provide the care that our nation's heroes need and deserve.

Texas is home to a network of world-class health care providers and facilities that are ready and willing to assist with this important mission. Baylor Scott and White, CHRISTUS Health and The University of Texas and the University of North Texas Systems' Health Science Centers have already expressed their willingness to serve veterans in this way, and the state is continuing to reach out to additional providers to expand this network of potential facilities. Partnering with the VA, Texas can provide a temporary solution that will expand capacity, relieve wait times and allow the VA the necessary time to identify and implement reforms.

The groundwork has already been laid for increased partnerships of this kind through the passage of federal legislation this week by the U.S. House of Representatives and Senate. However, the current VHA reimbursement process is antiquated and needs reform, and overhauling those systems will likely take time. Streamlining the VA's existing mechanism for seeking care

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outside the VA would increase access to treatment for veterans, while ensuring the timely payment of fees to health care providers.

In the short term, we propose VHA work with the Centers for Medicare and Medicaid Services to allow providers to bill through the Medicare reimbursement system. This would allow veterans to seek treatment at our facilities immediately, while ensuring providers receive timely repayment. With this proposal, the VA could repay Medicare directly and providers could focus on caring for veterans rather than navigating bureaucratic paperwork. This need not be a permanent solution and could be structured as a six-month agreement to be renewed as necessary. Even on the individual level, the timeline for care could be limited to transfer the patient to a VHA facility once capacity and patient status allow. A basic fee-for-service agreement of this type, which provides timely payment at 100 percent of Medicare rates, or a rate negotiated by the institution or facility to Texas providers, would immediately expand the VA's capacity to treat veterans.

We recognize that solving the problems at the VHA is ultimately a federal responsibility that will take significant time. Texas and the VA share a deep loyalty to our veterans, and in the meantime, we can work together to ensure we're doing all we can to give our soldiers, sailors, marines and airmen the care they deserve.

On behalf of the 1.7 million veterans living in our state, Texas requests that you act quickly on this proposal so that we can honor the service and sacrifice of our American heroes. I invite you to contact my office for a list of hospitals willing to serve our veterans. If you have any questions, please feel free to contact Jeffrey Brooks, a policy advisor within my Budget, Planning and Policy Division, at (512) 463-3471.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry". The signature is written in a cursive, slightly slanted style.

Rick Perry
Governor

RP:afp