

Remarks by Secretary of Veterans Affairs Robert A. McDonald

**United Veterans Committee of Colorado
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Frank, thanks for that kind introduction.

Senators Michael Bennet and Cory Gardner; Representatives Ed Perlmutter, Mike Coffman, and Ken Buck; many other distinguished guests; ladies and gentlemen: how about a round of applause for the Civil Air Patrol cadets? Very well done.

I was out at Snowmass Friday, and I'm still uplifted by the miracle on that mountain—the 30th annual Veterans Winter Sports Clinic. I know you're proud of what happens there every year—hundreds of courageous Veterans facing-down physical challenges and galvanizing their minds and spirits. It's just one example of the great work Colorado's doing for Veterans.

You lead the nation in VA adaptive sports grants—13 grant recipients run national programs; two work regional programs; and three are community-based. That's collaboration and partnership at its very best. Thank you all.

Serving Veterans is a collaborative endeavor. It takes the strong support of Congress. It takes the hard work and dedication of Veterans Service Organizations. And it takes coordinated efforts from the federal to the grass-roots level.

We've made important progress ending Veteran homelessness. Twenty-five communities and two states have ended Veteran homelessness. Across the Nation, Veteran homelessness dropped 36 percent between 2010 and 2015. Denver's seen an overall 63 percent decline.

That progress is thanks to partnerships, vital collaborative networks extending across the Federal government, across state and local governments, and with both non-profit and for-profit organizations. I think it's exactly what President Lincoln meant when he charged the nation: Care for those who have “borne the battle,” and their families.

It's VA's mission. But it's a mission for all of us, a mission very personal to me.

My wife, Diane, and I come from families with strong traditions of military service. Diane's father was shot down over Europe in World War II and survived harsh treatment as a P.O.W. My father served in the Army Air Corps after World War II. Diane's uncle served in Vietnam. He was exposed to Agent Orange, and he still receives VA care. And my nephew is back from flying missions over the Middle East. He commands a fighter squadron in North Carolina.

I graduated from West Point in 1975 with my good friend and our Deputy Secretary Sloan Gibson. My time at the Military Academy and then as an Airborne Ranger with the 82d Airborne Division instilled in me strong values and a lifelong sense of duty to country. Still, simple words from West Point's Cadet Prayer guide me—"choose the harder right instead of the easier wrong."

That's my commitment to every Veteran, to their families, to VA employees, and to all of you. When you hear Taps played—like we did a moment ago—you reflect on what that really means, "the harder right" over "the easier wrong."

You're reminded of indomitable Veterans, true giants of our country's history like Medal of Honor recipient Private Joe Sakato. His feats of bravery, sacrifice, and leadership are legend. I won't recite his story—many of you had the privilege and honor to know him well. But Denver and the Nation are poorer for the loss of that great American hero last December. God bless Private Sakato and his family.

I heard an Old Guard bugler playing Taps several days ago. I was standing with Secretary of Defense Ash Carter and some Vietnam Veterans at their Memorial on the Mall in Washington. We'd just laid a wreath to honor and thank all Veterans of Vietnam. Similar ceremonies took place at more than 400 other locations across the country.

If you stand at the center of The Wall and look to your left and right, down those huge pieces of polished black granite, you begin to get a sense of the magnitude of the price that generation of patriots paid for our freedom.

That's just the beginning. Behind more than 58,000 names chiseled in stone are those who served and sacrificed alongside them. There are the mothers and father, the sisters and brothers, and the sons and daughters who sacrificed, too. When the nation called, they answered. Let me ask all the Vietnam Veterans who are here to stand. Thank you. Welcome home.

The President appointed me—and the Senate confirmed me—to make dramatic changes at VA, improve access to care for you and all Veterans, provide Veterans the high-quality care and benefits they've earned and deserve. And that's why we're transforming VA—the entire Department, not just incremental changes to parts of it. We're putting the needs, expectations, and interests of Veterans and their families first, putting Veterans in control of how, when, and where they wish to be served.

Let me tell you about our five strategies and 12 priorities. MyVA is our framework for modernizing our culture, processes, and capabilities—combining functions, simplifying operations, providing Veterans a world-class, customer-focused, Veteran-centered enterprise.

Five MyVA strategies are guiding us to improve the Veteran experience, improve the employee experience, improve internal support services, establish a culture of continuous improvement, and expand strategic partnerships. Our MyVA strategies are about customer-service excellence.

The American Customer Satisfaction Index rated our National Cemetery Association No. 1 in customer service five years running. J.D. Power rated our mail-order pharmacy best in the country in customer satisfaction six years running. Those kinds of successes are possible across VA. That's why our vision is to be the No. 1 customer-service agency in the Federal government, a truly high performing organization.

And I'll tell you tonight what I've told Congress. That goal is in reach.

We've narrowed our near-term focus for 2016 to 12 Breakthrough Priorities. The President's proposed FY2017 budget supports these 12 priorities into the next year—critical investments to transform VA and improve the delivery of timely care and benefits to Veterans.

Our eight Veteran-facing priorities for this year are to improve the Veteran experience, increase access to health care, improve community care, deliver a unified Veteran experience, modernize our contact centers, improve the Compensation and Pension Exam, develop a simplified appeals process, and continue to reduce Veteran homelessness.

Our four VA-facing priorities are to improve the employee experience, staff critical positions that are vacant, transform our Office of Information and Technology, and transform our supply chain while leveraging VA's scale to increase responsiveness and reduce operating costs—savings we'll redirect to Veteran programs.

We're making progress on all these priorities, getting there with innovative measures like Under Secretary of Health Dr. David Shulkin's Access Stand Downs. Access Stand Downs prioritize Veterans needing care most urgently and accelerate care when that's the next best step for them.

We've been running clinics late, running them on Saturdays. We conducted our second National Access Stand Down at the end of February. On that Saturday, VA doctors and clinicians treated 16,000 Veterans. In Level 1 clinics where we provide our most critical services like cardiology and oncology, 99 percent of the 81,000 patients waiting more than 30-days for care were individually assessed. Every one of Colorado's 1,630 level-1 Veterans were assessed—100 percent. Over 80 percent of Veterans waiting more than seven days on the Electronic Wait List in Level 1 clinics have been given an appointment. And the six Colorado Veterans waiting more than seven days were all given appointments by mid-March.

Sustaining that kind of Veteran access will continue long after Access Stand Downs. We're continually expanding capacity by focusing on VA Community Care, productivity, staffing and space.

It's lost on some that in the first 12 months after Phoenix, we completed seven million more appointments than we did the same period the year prior: 2.5 million were at VA, 4.5 million were in the community.

In FY 2015, we completed nearly 57 million appointments inside VA and over 21 million in communities—nearly two million more than FY 2014. By the way, more than 97 percent of the appointments were inside 30 days of the clinically indicated or Veteran’s preferred date—1.4 million more than FY 2014. There were more than three million Choice authorizations for Veterans to receive community care over the last year—a 12 percent increase.

Average wait times for mental health care right now—three days; primary care, five days; and six days for specialty care. And real-time customer-satisfaction feedback we’re gathering with VetLink—our kiosk-based software—tells us that about 90 percent of Veterans are either “completely satisfied” or “satisfied” getting the appointment when they wanted. But about 3 percent told us they weren’t satisfied, so we have more work to do.

Today, we have more people serving Veterans more efficiently. We’ve increased our net onboard of staff by over 17,000 the last year and a half: over 6,000 more nurses, 1,500 more physicians, 110 more psychiatrists, and 450 more psychologists. Seven hundred and twenty-five of those VHA hires were here in Colorado.

Productivity is up 11 percent the past two years. That’s seven million more hours of care for Veterans.

We’re expanding the clinical space where we treat Veterans. In the last two years, we’ve added nearly four million square feet. And 1.2 million square feet in Aurora are coming to Colorado Veterans thanks to Congress—particularly those representing Colorado Veterans, thanks to strong advocacy by many Veteran Service Organizations, and thanks to UVC’s work, in particular. That facility will serve the 390,000 Veterans and their families in the Colorado area.

Construction is progressing well. Sixty-nine of 70 subcontractors have submitted pricing proposals. Sixty-four of the 69 having been settled at a firm, fixed price—ensuring project completion. And if you go there now, you’ll see over 800 workers—a number that will continue growing the next few months.

We expect to be complete in 2018.

Questions about accountability related to the Denver facility are still out there. Let me answer them. Since we discovered errors in construction, we’ve made major reforms. We appointed a new Principle Executive Director of the Office of Acquisition, Logistics and Construction. We changed the way we build, lease, and buy space. We changed how we design, bid, and construct facilities. And we’re shoulder-to-shoulder with the Army Corps of Engineers.

A year ago, we asked the IG to investigate any criminal conduct related to the Denver project. Since then, we've reviewed thousands of pages of documentation from the Administrative Investigative Board on Denver, which we've shared with all four of our oversight committees.

The evidence simply does not support actions against any individual still employed by VA. None of those responsible for the decisions resulting in delays and cost overruns are still at VA.

The former Senior Contracting Officer—reassigned to non-supervisory duties.

The former Project Executive—reassigned with a loss of grade and pay. No longer employed by VA.

The former Senior Resident Engineer—reassigned to non-supervisory work as a design manager. No longer employed by VA.

We don't hesitate taking corrective action when it's warranted, when available evidence supports it. VA terminated more than 1,800 employees last year . . . terminated more than 2,900 employees since I arrived. We've proposed disciplinary action related to data manipulation or patient care against more than 394 employees.

But we don't administer punishment based on opinions, recycled and embellished media accounts, or external pressure. It's not right. It's not in the best interest of Veterans we serve. And it's not in the best interest of employees serving them.

I'll say it again: You can't fire your way to excellence.

Let's talk about excellence, especially excellence in customer service. To transform an organization, you have to practice sustainable accountability. That means making sure people understand what needs to be done. It means helping them overcome obstacles, providing regular feedback on performance, taking corrective action when warranted, and rewarding exceptional performance.

It's recognizing employees like VA's Kevin Lindsey. Kevin, could you stand up? When we were navigating the transition at Aurora, Kevin helped keep the project moving, avoiding months of delays. Kevin, thank you. Kevin's principles-based approach is the kind of leadership that defines high-performing organizations.

I worked at Procter & Gamble for 33 years. There, I learned first-hand what makes a high performing organization. It takes a clear purpose, strong values, and enduring principles supporting sound strategies. We already have a clear purpose, strong values, and sound strategies. It takes strong, passionate leadership and effective management of robust systems and efficient processes.

We have a growing team of talent making innovative changes and creating opportunities for even greater progress. Eleven of our top 17 executives are new since I became Secretary—enthusiastic business leaders and experienced government and health care professionals.

And it takes the kind of responsive systems and processes we're building, that are Veteran-centric by design. For Veterans, that means 24/7 access to VA systems and knowing where to get answers. It means Veterans calling or visiting primary care facilities at a Medical Center having clinical needs addressed the same day. It means Veterans engaged in mental health care needing urgent attention speak to a provider the same day. And Veterans calling for new mental health appointments receive suicide risk assessments and immediate care, if needed.

It's helping communities get involved. We've enabled a national network of 48 Community Veterans Engagement Boards. These boards are designed to leverage community assets, not just VA assets, to meet local Veteran needs. Eleven more communities are in development right now. Our goal is 100 by the end of the year.

It's operating as part of a community of care to better serve Veterans and help address a wide variety of Veteran needs—from employment to homelessness to mental health, among others.

It's capitalizing on strategic partnerships with external organizations and leveraging their goodwill, resources, and expertise. Our partners include respected organizations like the YMCA, the Elks, the PenFed Foundation, LinkedIn, Coursera, Google, Walgreens, academic institutions, other Federal agencies, and many more.

It means working collaboratively with world-class institutions. We're working with Procter & Gamble, USAA, Cleveland Clinic, Wegmans, Starbucks, Disney, Marriott and Ritz-Carlton, NASA, Kaiser Permanente, Hospital Corporation of America, Virginia Mason, DoD, and GSA, among others.

It means consulting experts and listening to good advice on our transformation. Our MyVA Advisory Committee, MVAC, is a diverse group of business leaders, medical professionals, experienced government executives, and Veteran advocates.

To promote more consistently effective customer service, it means realigning VA to facilitate internal coordination and collaboration among business lines—from nine disjointed organizational boundaries and structures to a single framework. Veterans from Florida to California, Puerto Rico to Maine, Alaska and Guam, and all parts in between, will see one VA.

For the employees serving Veterans, a high performing organization means intellectually equipping more and more teams to dramatically improve care and service delivery to Veterans. That's what our Leaders Developing Leaders program, LDL, is all about. LDL is continuous, enterprise-wide growth instilling lasting change, building on momentum, and sharing best practices to employ across VA. We launched LDL last November with 450 senior field leaders. So far, we've trained more than 7,300 leaders, and by year's end we'll have trained over 12,000.

A high performing organization means training on advanced business techniques that drive responsive and innovative change. Private-sector experts are teaching employees cutting-edge business skills like Lean Six Sigma and Human Centered Design. Human Centered Design and Lean are helping employees reshape the Compensation and Pension process Veterans find burdensome.

It means clear performance expectations, continuous feedback, and performance management systems that encourage continuous improvement and excellence. And it means executive performance ratings and bonuses reflect performance, Veteran outcomes, employee surveys, and 360 Degree Feedback.

We're committed to doing everything we can for Veterans. We're advancing on all these lines, and many others. And we're making important progress—both for the near-term, and the long-term. But important priorities for transformational change require congressional action.

The President's FY2017 Budget is another tangible sign of his steadfast devotion to Veterans and his commitment to transform VA. The House markup, however, proposes a 2 percent, \$1.5 billion reduction. So let's be clear. That reduction will hurt Veterans. And it will impede some critical initiatives necessary to transform VA into the high performing organization Veterans deserve.

So we're encouraging Congress to fully fund VA at the level requested.

More than 100 legislative proposals for VA are in the President's 2017 Budget and 2018 Advance Appropriations requests. Over 40 are new this year. They require congressional action. Some are absolutely critical to maintaining our ability to purchase non-VA care.

In mid-March, I testified to Congress about the most important requirements to help us serve Veterans better.

We need Congress's help modernizing and clarifying VA's purchased care authorities. Above all else, this needs to get done to ensure a strong foundation for Veterans' access to Community Care.

We need Congress's help streamlining VA's Care in the Community systems and programs. Last October, we submitted our plan to consolidate and simplify the overwhelming number of different programs and improve access to VA Care in the Community.

We need Congress to enact legislation that will allow us to better compete with the private sector to get the best medical professionals to choose VA. That means flexibility on the 80-hour pay period limit for certain medical professionals and compensation reforms for network and hospital directors.

Likewise, we need to treat health care career executives more like their private-sector counterparts. That means expanding the Title 38 hiring authority to VHA Senior-Executive-level Medical Center Directors, VISN Directors, and other health care executive leadership positions. Then, we could hire these employees more quickly with flexible, competitive salaries. And they'd operate under accountability policies comparable to those of the physicians and dentists they lead.

We have to be more responsive to Veterans' emerging needs. So, we're asking for modest flexibility to overcome artificial funding restrictions on Veterans' care and benefits.

And we've urged ambitious action on our disability claim appeals system. We simply cannot serve Veterans well unless we can come together and make big changes in the appeals process.

It's a heavy lift. But in the past weeks, we've had a series of breakthrough meetings on appeals with VSOs, other Veteran advocates, and congressional staffers. There was another eight-hour lockdown session on March 30th. Two days later, the Department delivered a comprehensive appeals-modernization legislative proposal to Congress.

So, I've been candid and persistent bringing attention to these priorities. And I believe Congress is responding.

On the Senate side, Chairman Isakson in partnership with Ranking Member Blumenthal has said he aims to get a bill to the President by Memorial Day that includes these priorities. On the House side, we're discussing details with Chairman Miller and Ranking Member Brown.

Our window of opportunity won't be open indefinitely. This Congress with today's VA's leadership team can enable all these transformational changes—and more—for Veterans. Then, we can look back on this year as the year we turned the corner for Veterans.

Now, some still argue that VA can best serve Veterans by shutting down VA health care altogether. They argue that closing VHA is the kind of "bold transformation" Veterans and their families need, want, and deserve.

I suspect that proposal serves some parties somewhere pretty well. But it doesn't serve Veterans well, and it doesn't sit well with me. Simple words of the Cadet prayer resonate—"choose the harder right" over "the easier wrong."

I know business. I know what transformational change means. I know it's not easy. That kind of proposal isn't transformational. It's more along the lines of dereliction.

President Reagan gave Veterans "a seat at the table of our national affairs" nearly three decades ago. So let's keep Veterans in control of how, when, and where they wish to be served.

Thank you for sharing this time with me tonight. Now, let's hand out some awards.