THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

December 19, 2012

The Honorable Tim Johnson
United States Senate
Washington, DC 20510

Dear Senator Johnson:

Thank you for your cosigned letter regarding the Department of Veterans Affairs (VA) proposal to improve Veterans' health care services in the VA Black Hills Health Care System (BHHCS). I appreciate your commitment to ensuring that Veterans in South Dakota, northwestern Nebraska, and eastern Wyoming have access to high quality health care, and that their concerns should be a part of any proposed changes.

VA is committed to and has conducted an open, transparent, and inclusive process and no final decision has been made regarding the future of BHHCS. From December 12, 2011, to the end of the comment period, Veterans Integrated Service Network (VISN) 23 and BHHCS have gathered feedback from stakeholders, held meetings with over 3,800 participants, received written feedback or questions from approximately 930 individuals, and responded to at least 29 Freedom of Information Act requests.

In my May 18, 2012, letter to the delegation, I indicated that VA would review and consider all comments and proposals. VA reviewed all proposals, and I understand stakeholders designated only the Save the VA Committee (Save the VA) proposal to go forward because it encompassed elements of the other non-VA proposals. Thereafter, the primary focus was to work with Save the VA to review their proposal, clarify the assumptions, and assist them with developing, at VA's expense and at the delegations' request, a financial and capital analysis of their proposal. In concert, a financial analysis of the BHHCS proposal was completed. Both analyses were shared with the stakeholder group.

Your letter describes a breakdown at the September 10, 2012, meeting between BHHCS and Save the VA when BHHCS indicated that it could not negotiate its proposal. Beginning in July 2012, five meetings were held with representatives from Veterans Service Organizations, Save the VA, and local delegation staff members. The intent of these meetings was to ensure that everyone understood the elements of the proposals, including the assumptions, scope of services, and projected costs. The September 10 meeting was not held to negotiate proposals, but rather to review financial analyses documents, including Save the VA Capital Asset Analysis, Operating Cost Analysis of the Save the VA proposal, and Renovation Impact of the Historical Property Report. I regret any miscommunication or misunderstanding regarding the meeting on September 10, 2012.

The Honorable Tim Johnson

On October 10, 2012, BHHCS and VISN 23 provided me with a briefing that addressed the alternatives and a review of stakeholders' feedback. The briefing also included the recommendation that VA further review the possibility of expanded education and training opportunities as proposed in multiple alternatives, including the Save the VA proposal. My final decision on selecting a proposal will be based primarily on improved access to care for all Veterans served by BHHCS, sustainment of high quality and safe care, and good stewardship.

Your letter also highlighted purchased care and Native American concerns. Purchasing health care closer to where Veterans live is an important component of any reconfiguration proposal because it will reduce travel and keep families together during times of crisis. The BHHCS reconfiguration proposal is in the initial phase of development. As such, BHHCS has not held formal discussions with any private health care providers; however, informal discussions have been held with favorable and promising results. Native American Veterans on the Pine Ridge reservation voiced their concerns at the town hall and stakeholder meetings.

In response to the tri-delegation letter dated October 2, 2012, I would like to invite you and members of Save the VA to meet with Robert Petzel, M.D., Under Secretary for Health, in Washington, DC, as soon as possible. To schedule a meeting or to address any questions you may have, please have a member of your staff contact Mr. Tim Embree, Congressional Relations Officer, at (202) 461-5552 or by e-mail at Timothy.Embree@va.gov.

I appreciate your continued support of our mission. A similar letter has been sent to the cosigners of your letter.

Sincerely,

Eric K. Shinseki