THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON
December 19, 2012

The Honorable Kristi Noem
U.S. House of Representatives
Washington, DC 20515

Dear Congresswoman Noem:

Thank you for your cosigned letter regarding the Department of Veterans Affairs (VA) proposal to improve Veterans' health services in the VA Black Hills Health Care System (BHHCS). I appreciate your concerns about the future of health care provided to Veterans by BHHCS, and I hope this letter provides you with assurance that VA is firmly committed to providing access to high quality health care to Veterans in South Dakota, northwestern Nebraska, and eastern Wyoming as part of any proposed changes.

Pine Ridge Veterans will not have to rely solely on the Indian Health Services (IHS) for health care. Veterans will be able to obtain health care services from local community providers such as Gordon Memorial Hospital in Gordon, Nebraska; Chardon Community Hospital in Chadron, Nebraska; and Bennett County Hospital in Martin, South Dakota; thereby saving Veterans substantial travel time and expenses. These services will be provided at VA's expense for eligible Veterans.

Your letter indicates that Veterans in the Hot Springs area are worried that the high quality of health care they currently receive will be contracted out to private facilities. The BHHCS proposal includes a VA outpatient clinic in Hot Springs, staffed by VA clinicians, and will deliver the same outpatient care to Veterans in the area. The services will be provided in a modern, more efficient building designed to provide primary care, mental health, and some specialty care. Veterans will continue to receive care from VA physicians and nurses they currently see; this includes dialysis services. Services such as laboratory and x-ray that are not available in the outpatient clinic will be contracted out and Veterans will continue to receive their medications through the VA's Consolidated Pharmacy Mail Out Program or from a local pharmacy, if urgently needed.

I have carefully considered various analyses of the proposed reconfiguration's impact on Veterans in the Hot Springs area. Jones Lang LaSalle, an independent contractor, conducted a financial analysis and vetted the BHHCS' and Save the VA proposals. The financial analysis consisted of a capital cost analysis of options ranging from new construction to renovation at various sites. The Treanor Company, an independent contractor, completed a Historical Property Report. Additionally, the Veterans Integrated Service Network 23 Chief Financial Officer conducted an operational cost analysis and operational cost calculation.

VA has considered the impact on relationships with IHS, Fall River Health Services, the South Dakota State Veterans Home and other private providers. Leaders of the local VA and IHS facilities agree that a partnership will provide a much better network of care for our Veterans. In furtherance of the VA/IHS Memorandum of Understanding, BHHCS will soon begin providing Computerized Axial Tomography, and Magnetic Resonance Imaging services for non-Veteran IHS beneficiaries from Pine Ridge. VA will continue to work with the State of South Dakota to execute the $21.4 million grant to help construct a new State Veterans Home in Hot Springs, which will provide continuity of care for Veterans.

BHHCS has purchased specialty and long-term care from community health care facilities for over 20 years. Regional health systems provide care to Veterans under VA auspices in western South Dakota and Wyoming as does St. Mary's Hospital in Pierre and Regional West Medical Center in Scottsbluff.

VA has informally approached local health care providers to discuss potential opportunities to partner in providing health care to Veterans in the Hot Springs area. Because no final decision has been made to move forward with the reconfiguration, there is no written agreement between BHHCS and a community provider describing how the partnership would work; however, based on the informal discussions with community providers, financial analyses, and community feedback, we feel comfortable that if a decision is given to move forward with the BHHCS proposal, these partnerships would be successful.

No final decision has been made regarding the future of BHHCS. VA's Under Secretary for Health looks forward to convening a briefing in Washington, DC to review the feedback and proposals with your office and other stakeholders. Should you have any questions, 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.

Thank you for your continued support of our mission. A similar response has been sent to the cosigners of your letter.

Sincerely,

Eric K. Shinseki