



The Voice of VA Physicians and Dentists Since 1975

NEWS

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NAVAPD President Meets With USH Robert Petzel

The previous issue of **NAVAPD News** featured a letter from NAVAPD President Samuel V. Spagnolo, M.D. to VHA Undersecretary of Health Robert Petzel. NAVAPD subsequently received a response from Joleen Clark, Chief Workforce Management & Consulting Officer (see separate article in this issue). In addition, NAVAPD President Spagnolo, M.D. had a meeting with USH Petzel in late September.



Drs. Spagnolo and Petzel

VHA for assessments and out-patient visits. The Undersecretary was advised this requires consideration, and that NAVAPD stands ready with ideas of ways to optimize personnel use to meet these growing demands.

Other topics were also covered, including physician collaboration in development of performance measures, performance pay, and NAVAPD members'

The primary topic of discussion was the irregular implementation of the Physician Pay System mandated by Public Law 108-445 (the Health Care Personnel Enhancement Act of 2004). Please see this issue's President's Message for further details. Another issue was the increasing need for physicians and dentists to keep pace with the growing number of Veterans entering care, as well as the more aggressive time limits adopted by the

satisfaction and dissatisfaction with working in the VA. NAVAPD's willingness to work with him and his administration to provide the best possible care for our Nation's Veterans was underscored during the meeting. Undersecretary Petzel was also personally invited to the NAVAPD/FVHC reception on October 19, 2010, which he subsequently attended. Further discussions of the topics introduced at this introductory meeting are expected to be forthcoming.

Washington DC Reception Co-Hosted by NAVAPD

Most of you have seen the **National Press Club** during broadcasts from various news outlets. On October 19, the Edward R. Murrow Room at the National Press Club was the site of a NAVAPD and Foundation for Veterans' Health Care hosted reception. From 5:30pm to 7:30pm a come-and-go crowd included the VHA Undersecretary of Health Robert Petzel, MD, other VHA leaders, representatives of Veterans' Service Organizations, policy review organizations and think tanks, Veteran and healthcare associated businesses, and the NAVAPD Board of Directors.

The reception was the prelude to the business meeting of the NAVAPD Board held on October 20, also at the National Press Club. The reception allowed networking, lively and diverse discussions

of topics of interest, and a little food and drink. Many valuable contacts were established by and for NAVAPD. In Washington, one can never have too many contacts or too full an address book.

Formal remarks were limited to welcoming the group, introduction of Under Secretary Petzel, and the presentation of The Jesse Brown Award. A separate article about The Jesse Brown Award can be found on page 4. A montage of reception photos is on page 5.

The reception presented NAVAPD before the Washington community and to the folks who are critical to meeting the Mission and Goals of NAVAPD. This effort has already resulted in invitations for NAVAPD to participate in other cooperative ventures (see "Have You Heard of IPAB?").

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Inside this issue:

President's Message	2
NAVAPD Mission/ Principles/Officers	2
Membership Renewals Due January 1	3
VA Replies to NAVAPD Letter	3
Cross Receives "Jesse Brown Award"	4
Call for NAVAPD Ambassadors	4
October Reception Photographs	5
Do You Know About the IPAB?	6
NAVAPD Membership Application	7
NAVAPD Board Meeting October 20	7
NAVAPD Mastercard Offer	8

A Message from the President



Samuel Spagnolo

Here we are at the end of another most interesting year where national health care took center stage. The result was passage* of Public Law 111-148 The

Patient Protection and Affordable Care Act, signed into law by President Barack Obama on March 23, 2010. However, we are now left with more questions than answers regarding health care for all. Some provisions of the law will not become effective until 2018 while many of the negatives impacts take effect much ear-

lier. Details of unknown components of the Law are coming to light (see article "Have You Heard of IPAB?"). As expected, waivers to the law are being granted with more to come.

I noted in my last column that Washington was bracing for a major political shift in power. That prediction has certainly come true with Republicans now in control of the House of Representatives and significantly stronger in the Senate. What all of this will mean for Veterans' Health Care is a mystery. Certainly, all agencies are in for some belt tightening. Frozen pay checks for all non-military federal employees have been proposed.

During my recent meeting with Under-

secretary Petzel (lead article "NAVAPD Meets USH Petzel"), the Undersecretary and I had a frank discussion about the implementation of PL 108-445 (the Health Care Personnel Enhancement Act of 2004). That law established the new pay system for Veterans Health Administration (VHA) physicians and dentists consisting of base pay, market pay, and performance pay. The components of the law were designed to create a system of pay driven by market factors and employee performance, yet recognizing employee tenure in the VA.

Numerous anecdotal reports cause NAVAPD to believe that implementation of PL 108-445 throughout VA

(Continued on page 4)

NAVAPD's Mission and Principles

Mission

NAVAPD is dedicated to the principle that this Nation's Veterans, as a result of their service to our country's Armed Forces, have earned an entitlement to quality health care to meet their needs as they become sick or injured. The Department of Veterans Affairs ("VA") is that agency of government obligated to honor the Nation's contract with its deserved Veterans.

NAVAPD has as its highest priority the preservation and strengthening of the VA Health Care system, so that it stands ever ready to give Veterans quality medical care equal to or better than that which can be obtained elsewhere in our society.

Just as VA doctors care for those who have served, they also stand ready to treat the military and civilian casualties of future conflicts and non-military disasters. VA Health Care facilities are a principal element in our national security and in our national defense, representing as they do a vast resource to back up the limited capabilities of our military hospitals.

Guiding Principles

NAVAPD shall function as the official professional organization of the VA physicians and dentists at all levels in the VA Health Care system, from the local health care facilities through VISNs to the national level.

NAVAPD shall cooperate to the maximum extent possible with official representatives of the VA, to the end that the best possible health care is provided to Veteran beneficiaries.

NAVAPD shall endeavor to ensure that qualified physicians and dentists are recruited into the VA Health Care system and retained therein.

NAVAPD shall support VA physician research, participate in activities of professional organizations, continuing medical education and participation in equal partnership affiliation with medical schools.

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VA Replies to NAVAPD Letter

The full text of NAVAPD's letter to USH Petzel was printed in the prior issue of the **NAVAPD News**. That letter was referred to Ms. Joleen Clark, Chief Workforce Management and Consulting Officer. Her letter of reply is reprinted here.

Unfortunately, her letter did not really address any of the items of concern that were raised in the **NAVAPD** letter. Of course, NAVAPD will be following up on this letter in the new year, and continue to press for true responses to the issues that are important to you, the **NAVAPD** members. Letters from members to their Congressional representatives never hurt in getting the attention we need.

Time to Renew Membership

Renewal of **NAVAPD** membership is drawing near. Notices will be sent soon.

Membership in **NAVAPD** is for the calendar year January 1 through December 31. Initial memberships received after September 1 are extended through the next calendar year; otherwise, all renewals are due at the start of each calendar year.

Renewal for all members who joined before September 1, 2010 is due by March 1, 2011. After that date, memberships not renewed will be placed on hold until renewal is received.

Memberships paid by Payroll Deduction continue year-to-year unless discontinued or the member leaves the VA.



DEPARTMENT OF VETERANS AFFAIRS
Veterans Health Administration
Washington DC 20420

SEP 08 2010

In Reply Refer To:

Samuel Spagnolo, M.D.
President, National Association of VA
Physicians and Dentists
P.O. Box 15418
Arlington, VA 22215

Dear Dr. Spagnolo:

Your letter to the Under Secretary for Health, received July 19, 2010, has been referred to my office for reply. I am pleased to provide you with information concerning broad staffing data and the continuing evaluation of the VHA physician and dentist pay system.

As you indicated in your letter, VA has made great strides in meeting the needs of veterans, including expanding access to care and providing increased opportunities for the ever growing number of eligible veterans who rely on the VA for their health care needs, in particular mental health care. I agree with you that these increased services require constant vigilance as to the need for additional resources.

In an effort to support enhanced recruitment and retention of physicians and dentists, the following recent VHA initiatives have occurred:

- VHA established seven nationwide, full-time physician recruiters to facilitate the efforts of individual medical center recruitment. These national physician recruiters are field placed in order to strategically facilitate their success in recruitment and retention initiatives;
- Recently signed legislation, Public Law 111-163, provided greater flexibilities under the Education Debt Reduction Program. Maximum amounts have increased from \$44,000 to \$60,000. VHA has initiated policy to enable medical centers to quickly utilize this higher amount of student loan repayment incentive;
- The VA Primary Care Locum Tenens Program began operations in FY2010 as the result of an Executive Decision Memorandum. Initial program development benefitted from the experiences of the Office of Patient Care Services and the Travel Nurse Corps Program. A total of 50 physicians have joined the program as of mid-August 2010, providing more than 3800 days of patient care at locations in 18 different VISNs. Please see the following website for more information: <http://www.vacareers.va.gov/locumTenens/LocumTenens.cfm>

Overall, since the implementation of the VHA physician and dentist pay system, the number of employed physicians and dentist has risen each and every year. In January 2006, VHA had 14,922 physicians and dentists upon conversion to the new pay system. As of June 2010, there are 21,213 VHA physicians and dentists.

We are in agreement that the legislation that provided a complete overhaul of the pay system for VHA physicians and dentists contributed to our ability to recruit and retain physicians and dentists, especially in many of the scarce specialties. Given the nationwide application of this pay system, it can be expected that there are wide variations in salaries from one VISN/VAMC to another, as you state in your letter. As is required by statute, the pay system must undergo a review at least every two years. This review will occur in 2011. The data collection and commentary solicitation will begin early in 2011. In preparation for this review, we solicit the views of all representational organizations for VHA physicians and dentists. Representatives from my office who oversee the biannual review of the VHA physician and dentist pay system will be in contact with you for this purpose.

Thank you for your letter and the support you provide to our VHA physicians and dentists. The strength, dedication and outstanding qualifications of the VHA physicians and dentists are one of the primary reasons we are ranked so very highly in the quality and breadth of services provided to our nation's veterans.

Sincerely,

Joleen M. Clark, MBA, FACHE
Chief Workforce Management
and Consulting Officer

Clarence Cross Presented with Jesse Brown Award

At the NAVAPD/FVHC Reception in Washington DC, the Jesse Brown Award was presented to Clarence L. Cross, Jr., Ph.D. by NAVAPD/FVHC President Samuel V. Spagnolo, M.D. The Jesse Brown Award is presented “to honor an individual who has, over the course of their professional career, made significant, lasting and on-going contributions to the well-being and health of our Nation’s Veterans.”

Dr. Cross is a Veteran who currently serves as the Chief Chaplain at the Washington DC VA Medical Center.



Clarence Cross (holding award)

Dr. Cross’ support of Veterans and their families has been observed by physicians and other health care professionals. This history of service, as a Veteran and as a chaplain to Veterans and their families, makes Dr. Cross a deserving recipient .

Dr. Cross was accompanied to the reception by his son, Clarence L. Cross III. Dr. Cross spoke briefly and most humbly of the rewards he receives from his work as Chief Chaplain, and thanked the FVHC and NAVAPD for their recognition of his efforts.

The President’s Message (continued)

(Continued from page 2)
regions has been highly inconsistent, with little meaningful oversight by VA Central Office. In some regions or Medical Centers, it appears that PL 108-445 has had little or no impact on internal equity or on pay compared to the market. NAVAPD is seeking definitive evidence of these problems. If you are able, follow the instructions

in the article on pay in the last newsletter to help us gather this evidence. NAVAPD will continue to work with Congress and the VA to assure that the intent of the Law is followed and implemented throughout the VA system.

Finally, I would like to wish all of you a happy and healthy Holiday season,

and safe travel if you are venturing out for the Holidays.

***Passed the Senate on December 24, 2009, by a vote of 60–39 with all Democrats and Independents voting for, and all Republicans voting against. It passed the House of Representatives on March 21, 2010, by a vote of 219–212, with all 178 Republicans and 34 Democrats voting against the bill.**

Call for NAVAPD Ambassadors

NAVAPD is as you probably know, a fully voluntary organization. None of the members or Officers or Directors receive any compensation for service to the organization and its members.

One of the toughest things about a volunteer organization is – getting people to volunteer. The box to the right shows how NAVAPD has divided the country into eight regions based upon VISNs. Each of these regions is supposed to have a Director, but most are vacant due to a lack of volunteers for the job.

Everybody is busy. We each have to determine how to get everything we need to do finished and have a little time left for our families and ourselves. People are reluctant to take on an additional voluntary responsibility, especially for a big area like one of these regions. And yet,

- NAVAPD Region 1 = VISNs 1-5
- NAVAPD Region 2 = VISNs 5-9
- NAVAPD Region 3 = VISNs 10-15
- NAVAPD Region 5 = VISNs 16-17
- NAVAPD Region 6 = VISNs 18-19
- NAVAPD Region 7 = VISNs 20-22
- NAVAPD Region 8 = VISN 23

NAVAPD has to find a way to have people working for it, promoting membership, helping members, and carrying our agenda to regional and national leaders. The more people NAVAPD has doing that, the better NAVAPD’s members and Veterans will be served.

So, NAVAPD has come up with a less overwhelming role that we are looking to fill: NAVAPD Ambassador.

Ambassador is not an elected position and it doesn’t have lots of time and travel obligations. An

Ambassador’s role is basically to be NAVAPD at the local level. Tell potential members what NAVAPD is, what it stands for, what it does. Be NAVAPD’s eyes and ears across the country. Keep one’s ears open for issues about which NAVAPD should get involved. Write a letter once in a while on some topic to which we want Congress to pay attention.

We need an active presence in more than the four or five areas of the country that are represented by the Officers and Directors at any one time. We need YOU.

So, if you have ever benefited from NAVAPD membership, if you have ever gotten help with a work issue, or you benefited from the actions NAVAPD has gotten through Congress on your behalf, wouldn’t it feel good to give back. Send the President an e-mail or give him a call. Volunteer.

NAVAPD/FVHC Reception – October 19, 2010



Do You Know About the IPAB?

As a result of contacts initiated through the recent NAVAPD/FVHC Reception, NAVAPD was invited to participate in a Lunch Briefing on an issue of interest to the Veteran community. The Briefing was held on November 2 at the offices of PhRMA (Pharmaceutical Research and Manufacturers of America). NAVAPD Operations Coordinator Larry Conway attended along with representatives of about ten Veterans Services Organizations (VSOs) and PhRMA staff. Those in attendance had numerous concerns about the topic, which is summarized below.

The subject of this briefing was the Independent Payment Advisory Board (IPAB), a little discussed and innocuously named entity created in the Healthcare reform law. The name is misleading because the recommendations of this Board are not advisory, but mandatory. This board is the mechanism for the first-ever cap on Medicare coverage, and the long term consequences of this board are immense, immeasurable, and open to predictable unintended consequences.

The IPAB will have fifteen members who are appointed by the President and confirmed by the Senate. The nominees will be sought from individuals in academia or with pharmacoeconomic backgrounds, not experts in medical outcomes. These appointees cannot have any other job – they become professional members of this board. Terms of appointment are six years. Nominations begin in 2011, with first members confirmed in late 2012 and the first money for the IPAB appropriated.

The obligation of the IPAB is to assure that Medicare inflation does not exceed a target, generally the rate of overall healthcare inflation. Beginning in 2014, if the target is triggered (Medicare inflation exceeds overall healthcare inflation), IPAB must produce and present recommendations

that would reduce Medicare expenses by at least the amount of the excess. The IPAB must present a plan by January 15 of every budgeting year or the Secretary of HHS must submit a plan within 2 days. Interestingly, these “recommendations” are actually mandates; they automatically become law the following January unless the Congress passes an alternative package that achieves the same level of budgetary savings, or rejects them by a 3/5th majority. Congress nearly never achieves a 3/5th majority so the chance of an outright rejection is small.

Other than this option, the recommendations of IPAB are immutable. The President cannot change them,

The [IPAB] name is misleading because the recommendations of this Board are not advisory, but mandatory.

This Board is the mechanism for the first-ever cap on Medicare coverage...

There is no administrative or judicial oversight or recourse.

Congress cannot refuse them with less than 3/5th majority, and the courts cannot overturn them. No one can change the targeted budgetary savings. There is no administrative or judicial oversight or recourse. To protect the IPAB, the Health Reform Law preauthorized the IPAB and pre-appropriated funds in perpetuity for the operation of the IPAB.

The IPAB will operate differently than nearly any other board. Most boards require a minimum number of voting members be present for the board to take action. On IPAB, a majority of the members present can take action, set recommendations, and move

cuts forward. So, if only three of the members attend, two voting members could set the recommendations for the entire fifteen members. These recommendations would be as binding as recommendations approved by the entire fifteen members.

Some entities are exempted from the IPAB for a few years. Hospitals are exempted until 2020. Until then, any recommendations can only target non-exempted costs. This will result in greater than proportional cuts to the providers and services not exempted, including Medicare Advantage and Prescription Drug Plans. It is unlikely that IPAB would ever call openly for rationing of care; more likely they will recommend limiting the number of providers authorized for reimbursement for providing certain services. This would result in fewer procedures due to limited access. IPAB will also likely reduce physician payment, forcing physicians out of Medicare and further reducing access.

These likely consequences raise serious concerns for the VSOs because the majority of Veterans do not get their care at VA hospitals, but at private and public facilities. The cuts envisioned would make it more difficult for Veterans to continue to obtain their healthcare outside the VA.

While no one currently expects an active program to bring Veterans back into the VA facilities, this likely will be the result. This will have direct impact on physicians and dentists and all providers in VA facilities.

The first comments around the table related to the question of whether preauthorizing and pre-funding in perpetuity is constitutional and whether complete lack of administrative or judicial oversight is legal. Constitutional challenges are almost a certainty. The briefing concluded with a reminder that 2014 is not really that far away, especially considering that the foundation of the IPAB starts being placed in 2011.

Pass Along to a Colleague



Join NOW!

Mail to: NAVAPD, P.O. Box 15418, Arlington, VA 22215

NAVAPD is the only national organization protecting the interests of VA physicians and dentists. Since 1975, NAVAPD has been your advocate and watchdog in Washington. NAVAPD will continue to focus on opportunities to improve pay and working conditions.

You can join by mail with this form

Full-Time \$160	Half-Time \$100	Retired \$80	Resident Fellow \$45	LifeTime \$1500
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YES! I want to join NAVAPD! 3 ways to pay:

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|---|---|---|

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Facility

Station Number

NAVAPD Board of Directors Meeting – October 20, 2010

On October 20 the NAVAPD Board of Directors gathered at the National Press Club for its first face-to-face meeting in three years. Meetings are generally held by conference call with only occasional meetings in-person meetings.

The newest Board member, Jill Wruble, D.O. from Connecticut was introduced. President Spagnolo reported on the year's organizational activities including his meeting with USH Robert Petzel, status of NAVAPD tax-exempt designation, and issues that members report with VA leadership. Operations Coordinator Larry Conway reported on the state of

the membership database, membership trends for the past few years, and the status of requests for membership renewal for 2011.

Attorney Robert Kirshner was present for part of the meeting to discuss the issues to be addressed in the Bylaws and NAVAPD's tax-exempt status. He also presented the Board with a proposal for services, which the Board has taken under consideration.

The Board discussed strategies for growing membership in a negative growth environment and agreed to seek additional ways to recruit and retain members. Significant time was

spent discussing the ongoing concern that the 2004 Pay Law is not being implemented equitably across all facilities, and that it appears physicians are treated unfairly in some facilities and VISNs. Confirming and quantifying these concerns will take considerable resources and how to do so will be addressed further over the coming months and in other interaction with the VA. NAVAPD will be ramping up its contact with Congress, VA leadership, and organizations with aligned interests. Work is underway in updating the NAVAPD database of governmental contacts reflecting the results of the November 2 elections.



National Association of VA Physicians and Dentists
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So, why not help yourself, help NAVAPD, and show everyone that you are proud to be a VA Physician or Dentist.

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Call 1-800-932-2775
Mention priority code **UABHVN**

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