

Denis McDonough
Secretary of Veterans Affairs

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Moderator: Good morning everyone, and welcome to this Defense Writers Group with Denis McDonough, the Secretary of Veterans Affairs. We have a bit of a smaller group than usual because of the holidays, but that means more questions for everybody.

As always we'll be on the record, but there is no rebroadcast of audio or video. I'll ask the first questions, then a couple of you emailed me in advance to ask, but we'll go around the table, and then we'll give the Secretary a few minutes at the end for some closing comments.

Mr. Secretary, thanks for being here.

Secretary McDonough: It's nice to see you, Thom. It's really nice to catch up. It's been too long.

Moderator: It has been. You're very kind.

As someone who spent many, many years covering the active duty forces, I thin I speak for much of the press corps, that really the attention is on the people who wear the cloth of our nation and who do the missions and all of that. And I don't think, and I can say this as a retired newspaper man, that insufficient attention in the media has been given over the decades to those who leave service and their needs, their concerns. You're speaking to us at a very exciting time at the VA. You have just taken on one of the newest, one of the largest missions in their history, the PACT Act, and I wonder if you can give us sort of an update on first how you prepared for this new expanded mission, and give us a report card I these early days.

Secretary McDonough: Thanks for the question and thanks for the chance to be with everybody. I'll be spending time with our press corps, a couple of members of which are here this morning as well, later this week. In my monthly press conference, which is new, it's not been done by a VA Secretary before, but I meet with our press corps once a month on the record.

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Moderator: Thank you for that.

Secretary McDonough: We started as soon as I got in the chair over a year and a half ago, preparing for something like the PACT Act. I wouldn't say that we were preparing precisely for the PACT Act. There were a bunch of different proposals out there at the time. But the President made very clear to me from the beginning that he thought this issue, namely the issue of veterans who had been exposed to toxins while serving principally in Southwest Asia over the course of the last 30 years of war, not having gotten access to care and benefits was a large piece of unfronted work.

So right out of the box we began by using our authority to establish presumptive conditions, presumptively tying medical conditions to military service, and we made a big breakthrough on the science early in 2021 that by looking at exposure to particulate matter generally in addition to the specific toxins allowed us to make a series of conditions presumptively connected to military service. Those three conditions had primarily to do with respiratory ailments, sinusitis, rhinitis, and asthma.

The idea, the breakthrough that our scientists made was to recognize that it's not just the exposure to the toxins, as deleterious as that is, it's the exposure to the toxins in the context of deployment to geographies and climatic regions that routinely saw massive amounts of particulate matter -- wind storms, sand storms, and then sand itself -- on top of the toxins.

That work early prepared us and sent a message I think to Congress that we were serious about this. We were then able by continuing that work with an intensification of a process built at the White House that draws on science not just available to us through the traditional National Academies of Science, engineering and medicine, but also drawing on other federal agencies -- principally DoD but also HHS, Labor. With OSHA they have a lot of data and experience on toxic exposure. We were able then to add 90 conditions of particularly rare respiratory cancers. Those we announced just before the culmination of debate in the Senate. So that's the first thing. We focused on the issue and were intentional about the issue.

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The second thing is we also had been recognizing as the House Chairman Takano, Speaker Pelosi, put as much attention on this as they did, it became quite clear that there was going to be new law, new statute on this. So we began doing three additional things on top of the things I just talked about.

One, intensifying our work on automating the claims process. So we still are on track to, by the end of this calendar year, have tested and proven automated processes for all of the conditions listed in the PACT. There's 23 of them. We should be able to prove them.

The second thing we've done is we've hired considerably. We're at about, as Patty and Leo know, we've been keeping them updated. Starting about a year ago now, we had some extra FY21 money late last year so we talked to Congress in September of last year and said we'd like to begin hiring. They gave us the go-ahead. We began that process. We've hired about 2,094 people now. Those people are increasingly [inaudible], increasingly trained. About a two-year tail on getting somebody hired, then getting them fully trained, then having them be a fully operational claims reviewer. So we've been hiring.

The third thing is, we've been looking at the process itself to see what parts of the process can we find different augmentation to do. For example, can we find contractors to help us? Are there steps that we can take out of the process to shorten it?

So that's what we've been doing. Sorry for the long answer.

The last thing is, what's the grade? I think the grade is incomplete. The end of this week is an important week. Saturday we start an open enrollment period at VHA for health benefits. That's an important moment for us. We'll have data later this week, I don't have it now, about what's happening in terms of veterans coming in to get access to one of the more innovative parts of the law which is what we're calling, the statute calls toxic exposure screening. So veterans can find out what precisely they've been exposed to. And to be honest, I don't know what conditions they all mean. I do know I have the hip pointer since last Wednesday night, and I'm not a vet. The idea that we should somehow expect a veteran to know what ails him or her and that they have to come and ask for precisely that would be a mistake. So that's a big thing this week.

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Then of course we will begin processing the claims as of the new calendar year. Between now and then we'll be making new regulation to allow us to do that so you should be seeing some of those regulations.

Moderator: I do have a follow-up before I open it up for questions.

Since I'm retired from newspapering I get to express opinion. The work of the VA is one if not the most important mission the government has. And in another opinion, I'm always saddened by how that issue is caught up in partisanship [as with] everything else in the country. How are you trying on the Hill, across the nation, in this incredibly polarized environment, trying to get leaders and the public to say let's put politics aside. Let's help the vets.

Secretary McDonough: That's a really good question. I do spend some time thinking about it and I think on this I'd say the following.

I actually think we are a port in that otherwise fairly tumultuous storm. I attribute that to the really good working relationship that people like Senator Jon Tester have with Jerry Moran and Chairman Mark Takano have with Ranking Member Mike Bost. So I think those committees work in very bipartisan ways. I tell them sometimes they're a little too bipartisan because they pass a lot of statutes and we have to keep up with a lot of those statutes which is a good thing. So we are a bit of a port in the storm.

Every once in a while it does creep in. I think as some of our attendees here today will know, I had a spirited exchange with somebody I respect a lot, Senator Sullivan, on Wednesday night. In terms of intentionality, I thought to myself, I'm not going to leave the Hill until I go sit with him to make sure that we kind of wrung whatever we needed to out of the air. So I went up and sat in his office and waited until he had a little bit of time, and he and I sat down and had a chat. He was gracious to sit with me and I think we worked some stuff out. I feel good about that.

So intentionality speaks. There are well-functioning relationships. And I should have said John Boozman and Martin Heinrich on the Appropriations Committee, and then John Carter

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and Debbie Wasserman Schultz on the Appropriations Subcommittee in the House. They work really, really well together, and that then infuses the rest of the body. Including us.

So good working relationships, intentionality. Third is, I just think the expectation for performance is so high in this space. That underscores the other two issues meaning I think the expectation among veterans and frankly among veterans' families, survivors, caregivers, is that they remain above this. That serves I think to infuse both those working relationships and the intentionality because there's no benefit -- I think rightly, will be penalized if they make this partisan.

Moderator: Thank you, sir.

Two people emailed to get on the list. First was Patricia [Kern].

DWG: Thank you.

I'd love to discuss the screening process for the toxins that you just brought up. I understand you're hiring nurses. How is that going to work? I'm not sure veterans will know what to expect now with the PACT Act. We're getting a lot of questions about what happens next.

Secretary McDonough: That's a good question. At the risk of looking like a chicken, I think the best answer here, Patty, is what if you save that question for Dr. Elnahal who is going to join me on Wednesday. We've been working all weekend to get data on what the experience has been to date. And then he can also talk you through the process.

DWG: Okay. I think there's a hearing this week on suicide and innovation. I'm interested to see what we might expect with that. Different than we've heard before? Or anything new coming out of that? I know you're working on the whole mission [inaudible] thing.

Secretary McDonough: The bottom line is, I think we talked to a lot of you all a week ago Friday about the data that we put out last Monday, a week ago today. That data is really, really important, obviously. It does demonstrate as I've said a number of different times, that suicide prevention is possible. We are making progress, but there's still a long, long way to go.

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I think the thing that's innovative from last week is new Sergeant Fox grants. That's a big priority for the three members that I just talked about -- Senator Boozman, Senator Moran and Senator Tester. They worked very hard on this. All three made it clear to me both privately and publicly that they wanted to see us move with dispatch on that. It took a little longer than I would have anticipated, but not near as long as it's taken in the past to get new rulemaking and new money into the hands of local organizations. This is also a new area for us, to make grants to local organizations. I think that's going to be a really interesting thing to see, which is what is the impact of that funding to organizations and communities where communities know their veterans best. So I think you'll hear more about that from Dr. Campbell and Dr. Miller.

Then I think you'll hear about our efforts to ensure access in a very difficult period, made difficult by two issues principally. One is the pandemic itself; and two is a very, very, very tight labor market. Which is tightest in two really important ways that you've heard me talk about before. One is HR professionals. It's hard -- we call that a supply chain issue, meaning people who help us generate the supply of healthcare professionals is itself very tight. The second one is particularly mental health professionals.

So our ability to smooth out places like New York, for example, where we have a lot of healthcare professionals with places like rural America where we have fewer healthcare professionals through our clinical resource hubs is really attractive. I think the clinical resource hubs are under-appreciate. I spent some time with a team in Boise, Idaho several weeks ago, and those clinical resource hubs do allow us, for example, to have mental health professionals in Boise through Telehealth providing service in rural areas throughout VISN 20 such that that's who would not have access to attend mental healthcare can get it.

The last thing I'll say about this, I had a good exchange with Senator Sinema on this. We're very worried about what happens to those clinical resource hubs and our ability to prescribe controlled substance across state lines. At the end of the day a clinical resource hub is operating across state lines. Right now our authority to do that is entirely dependent on the President's national emergency related to the pandemic. If that

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national emergency ends, we'd be in a tough spot on prescribing, so we're working with Congress to see if we can get them to include this in work they do at the end of the year.

I hope that's responsive to your question.

DWG: Who is making the decisions on the Fox grants? Is that within the suicide office?

Secretary McDonough: It's in the Office of Mental Health and Suicide Prevention. We started with a kind of RFI. First of all we published information about the grants. Then we started with an RFI on what we were looking for. And then -- I'll make sure we have the 411 on Wednesday on precisely what happened. All I know is that a week ago Friday I got a big package. It looked really long and really interesting to me. And the question to me was yes or no? And I said looks good.

DWG: Thank you.

Moderator: Next is Rebecca Kheel.

DWG: Obviously last week we saw DOJ's guidance that confirmed that it will defend VA doctors who perform abortions. But even the threat of being prosecuted, even if you have a legal defense, might be a deterrent for some doctors. So what if anything else are you doing in states like Alabama that have already threatened prosecution, to reassure your docs?

Secretary McDonough: Thanks so much. I think what you're talking about is the OLC opinion, so it's not just guidance but it's binding opinion on the federal government. The OLC is the organization that makes such determinations for the whole federal government, so we're very appreciative of the clear language and the strong reasoning in that opinion. One.

Two, I think you're right, that there could be reasons for our providers to feel concerned. To be honest, this was one of the things that led us to do the interim final rule in the first instance, meaning even prior to adding an exception to the prohibition on abortion services and abortion counseling, we did it through the IFR, there was enough confusion among our providers about the services that we provide. For example, we place about 10,000 IUDs a year for veterans. We provide fertility assistance for veterans. We provide in fact a full

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suite -- we provide birth control assistance for veterans. And I've said this before. We have 300,000 women veterans of child-bearing age who now, today, get INS for their healthcare. That number will grow next year and the year after that because this is the fastest growing [corner] of our veteran population, women veterans.

There was enough concern among our providers then that we thought we needed to be clear through some vehicle like the IFR and then from this DOJ opinion to make sure that they understood as they carry out their federal responsibilities that the federal government will stand by them.

We'll continue to stay in touch with our providers to see what more they need or would like to see. We don't have imminent plans here at the moment for anything additional, but we're working very closely through the Office of Women's Health, through the Under Secretary of Health, and really thrilled that we have a confirmed Under Secretary of Health for the first time in I forget, five or eight years. And to have Dr. Elnahal in there at this period of such an important set of steps was really important.

DWG: Abortion providers are often targeted by protests, sometimes threats. Are you doing anything to harden the VA facilities that are going to be providing these procedures?

Secretary McDonough: We're taking appropriate precautions, working with the interagency to make sure that we have a good handle on what to expect. We're working closely obviously with the VA Police Force. We have the largest police force in the federal government to make sure that we're taking, as I say, prudent, appropriate steps to protect our veterans first and foremost and our facilities and providers.

Moderator: We'll open the floor. Just identify yourself.

DWG: Leo Shane with Military Times.

Are you expecting protests? I know Dr. Elnahal said in the last year that security was one of the things that he's taking into effect with the abortion decision. But are you expecting VA to be a target for these places and is there a concern that that's going to interfere with the other operations?

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Secretary McDonough: I'd put these preparations in the context of prudence. I'm not suggesting that I have an expectation one way or the other, but I do think it's a prudent step.

I should say one additional thing, which is that I think as you all know, the Inspector General is obviously a partner for us across the board. A partner for us as it relates to security in our facilities as well, so we're obviously working very closely with the Inspector General.

DWG: To the point earlier about the politics involved with VA and the way you've been able to stay somewhat above the fray up until this point, are you worried at all with the comments we heard from Ranking Member Bost and some of the Republicans on the panel that if Republicans do take control of the House in particular in the fall that this could spiral out of control. This could be, as you're trying to implement the PACT Act, some of these political fights over abortion and other things become the dominant story line and the dominant focus for you.

Secretary McDonough: I don't want to get ahead of myself in terms of what's going to happen, in terms of the politics, and you guys are closer to that. I wasn't very good at politics when I was the White House Chief of Staff, and I can guarantee you, I'm no good at politics now.

What I'd say is I think those large trend lines that I talked about before -- good working relationships, intentionality, expectation. Each of those things will continue. Our job is to keep our head down, do the work, make sure that work is executed well. That's what we intend to do and I have every expectation that's what we will do. The rest of it will work itself out.

DWG: Sarah Cammarata from Stars & Stripes. I have two questions.

To piggyback off the abortion question, I know the VA is reaching out to the communities to prevent suicide. Will the VA also reach out to the communities I guess to -- I know working especially like in Houston where I'm from, they have escorts to, to escort the person who can have babies back in June from the car to -- in the future will the VA be able to do something, reach out to the communities and possibly, I don't know, work with organizations to help protect the veteran or their family member and/or maybe possibly the person who provides counseling

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[inaudible] procedure?

Secretary McDonough: We'll obviously stay very close to this. We're watching it closely. This is an issue that is informed first and foremost by the leading principle we have at the VHA which is patient safety. We made this decision around veteran patients in particular. As I said, those 300,000 veterans of child-bearing age who rely on us for their care and who may need an emergency procedure like this to protect their life or their health, and they may find themselves in a place where that was not available to them. That is the motivating thing here.

Similarly, as we consider all these other issues, we'll have patient safety/provider safety front and center and as we see new developments on this we'll stand up.

DWG: And last week you mentioned that there's a healthcare staffing shortage.

Secretary McDonough: Yes.

DWG: And the Association of American Medical Colleges reported last year that the US will see a shortage of up to 124,000 physicians by 2034.

Secretary McDonough: Yes.

DWG: How will the VA I guess in order to combat that shortage in the future, how will the VA do that?

Secretary McDonough: I think it's a really good question, and this is one of the things that I went and talked to the medical colleges myself last year. We are focused on how we can increase supply at the same time that we're all working through a place where demand has really driven up price points which is absolutely understandable. And by the way, as the son of an emergency room nurse who worked nights her whole career when she had 11 kids, I'm thrilled to see that our nurses have the kind of leverage in the market that they have. I'm even more thrilled that Congress through the PACT Act, through the RAISE Act has given us authorities to meet those demands and to help address issues that the nurses ask for with that leverage. So I'm really glad about that.

But there are two things in particular I think that we can and

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are doing. One, and you wouldn't have heard this as much as Patty and Leo and others, but as we considered the recommendations for the future infrastructure of VA we had front and center both our research and training functions. Roughly seven in ten doctors in the United States will have had some portion of their training in a VA facility. So we have to maintain that training function going forward. This is one of the things I've talked with Republicans and Democrats I'm very concerned about, but we need to maintain our training function for docs. That is directly reliant on us maintaining our relationship with academic affiliates, and that is directly related to our ability to maintain a robust and healthy VA infrastructure.

So the first thing is training docs, we do it better than anybody else. We are maybe the longest [inaudible] in the United States on training of docs. We have to maintain that. For [inaudible] but for everybody else. So that's docs.

Second, nurses. We have to hire 45,000 nurses over the next three years. July was the first months that we hired more nurses than we lost to retirement. So that gives you a sense of how large this challenge is for us.

So we're looking at a range of things including increasing our nurse residency program. Right now we have, we train about 1500 nurses in nurse residency programs across the country. I've been talking with our facility leaders as I've been traveling, talking with our nursing office in the VA Central Office, about growing that as much as five times. That would require obviously a pretty significant investment, but that is the size of the challenge for us.

The third thing is we just have to do a better job of making sure that the skills and certifications, the training that our active duty military bring with them to the veteran world gets recognized. So we're working on that as a government. I was just talking with folks over the weekend at the Department of Commerce, I was talking to Secretary Walsh about this and obviously talked to Secretary Austin about this. So that's another way for us to grow that supply of ready, deployable, trained personnel.

So maintain our training function on docs, expand our training function on new nurses, and then make sure that we're cross-

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walking active duty into VA service much more aggressively. That on top of all the other stuff we've been talking about. Paying our nurses better, helping them pay down their student loans more quickly, et cetera.

DWG: What about social workers?

Secretary McDonough: We hire a lot of social workers. I think they're the third or fourth largest function we have. Don't quote me on that, I'll get you the exact number before Wednesday. We are hiring a lot of social workers and we're hiring them in a lot of different places.

This gets to one of the challenges we have in VA which is we have different requirements written in the statute for different functions. Right now, for example, we have a requirement at Veteran Rehabilitation and Education, VR&E, where we're supposed to have one counselor for every 125 veterans. That's a good thing. I just want those counselors to be counseling. Right now they're spending as much as I heard down in Houston last Thursday, as much as -- I heard really high numbers. They're spending too much of their time on administrative requirements rather than on the phone, on the screen in the room with the veterans doing the training and the counseling.

So one of the things we have to do a better job of is not just hiring, but also of making sure that we have people spending their time with us, with veterans, with the veterans at the center, not worrying about filling out paperwork for VACO or anybody else.

One last thing on this, we have to do a better job of hiring. Right now we hire, then we have a process called onboarding which, if you can believe this, in some cases -- we've already identified the person, offered the person a job. In many cases it's 90 to 100 days during which they need to onboard. They're not being paid, they're filling out paperwork, they're going through some rigamarole. That's disastrous. I can guarantee I did not have 100 days at any time in my career during which I could not be paid. And I would have been exceedingly frustrated if during those 90 to 100 days I was not only not being paid, but I was being dragged through a bureaucratic morass. We've got to fix that.

DWG: Sir, Mike Glenn with the Washington Times.

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As you know, the toxic exposure to troops is not a new phenomenon. It goes all the way back to at least Agent Orange. Before I got into journalism, I was an Army officer, led a platoon during the Gulf War through all the oil well fires, and --

Secretary McDonough: Thank you for doing that.

DWG: We were given pills to take, nerve agent pills, but we didn't really know what they were.

What are you doing now? And as you know, there has historically been a lot of distrust between some parts of the veterans community and VA. What are you doing now, especially on that particular issue, what are you doing now to let the veterans community know that this time it's different. Frankly, they've heard it before. This time it's different. We're going to take your concerns seriously now.

Secretary McDonough: I think that's a great question. As a general matter I just think talk is cheap, so we're not saying much about that. What we're trying to do is to do rather than to say.

This is why it was so important that the President put us on this target right from the get-go. We've already had about \$111 million -- it's maybe not the right indicator, but it's at least a indicator and we'll have more data later this week.

Under the three presumptives that I talked about before, sinusitis, rhinitis and asthma, and that includes Gulf War I, so it's really basically anybody who was deployed into CENTCOM since 1991. We've already made payments of about \$111 million pursuant to those conditions.

What I really hope is that we reassure with our actions and that word of mouth then travels among you and fellow vets that says you know what, it is worth my time to file the claim.

One thing we are trying to make sure veterans understand is, set aside the trust issues. I think we're going to have to resolve those by doing and not by saying.

There is another real thing, the warrior ethos, which is a super

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admirable trait of our active and veteran personnel, where they're trained to keep carrying out the mission and putting their people first. So they're therefore trained to believe that maybe somebody else needs something more than they do, and/or, a corollary of that, they're trained to believe that maybe somebody else has it worse than they do. In which case if they go ahead and file a claim it's going to come at somebody else's expense.

We've been very clear that that is not the case. The debate we had about funding and stuff earlier this summer was really important because we don't want vets to think that somehow this is capped such that their application for a claim is going to come at somebody else's expense. One.

Two, our experience with this particulate matter breakthrough last year tells us that the more we know about you and your experience the more we then learn about your mates, your battle buddies and their experiences. So your filing your claim actually does not come at the expense of another veteran and in fact it paints a fuller picture for us of the experience of you and your battle buddies. So in fact the act of filing not only does not hurt somebody else, it actively helps us understand the broader picture, so it helps the rest of your cohort. So that is something we're talking about and trying to make sure that veterans understand.

I think we all get that now, in kind of an intuitive sense since we're all kind of consumers of the internet and we get a sense of how internet providers are able to piece together different things about different people. So I think we get that intuitively a little bit more now, but especially as we rely on more automated capability to resolve claims. This concept of filing your claim, helping us understand better what vets have gone through, what the K2 Corps, for example, in Uzbekistan went through. That's a big cohort. That's still got a healthy chunk of active duty in it. Us being able to aggregate that data, draw some lessons from it, really helps us make further policy in the future.

DWG: I got to K2 when they were still clearing the cobras, and I don't mean helicopters, I mean the snakes.

Secretary McDonough: I was there not long after you on that one. I was there with a congressional delegation, working for

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the Senate Majority Leader at the time.

DWG: I was there in December '01 for the first embed.

Secretary McDonough: I was February '02, and I just remember saying this is why the Soviets couldn't hold on.

DWG: Sorry for that personal aside.

DWG: -- covering the tech side --

Secretary McDonough: Just mentioned the other afternoon. Nice to see you again.

DWG: Good to see you.

So [inaudible]. So one, I was curious if you had any further thoughts or frustrations that might translate into action on whether Oracle Cerner will be further penalized for their role within --

Secretary McDonough: I don't have anything for you on that today.

DWG: Okay.

I don't know if this has already been addressed, but is there any update on whether the VHR Platform rollout will continue as expected in time in early 2023?

Secretary McDonough: No. We're looking very closely at the Go Live, we have the Go Live checklist for every spot. We're looking at that. But I think Donald's also been clear that we have to be confident that these risks to patient safety are addressed before we go live, so we're not just focused on the passage of time between now and the next Go Live, we're focused on readiness.

DWG: And any sense of when that might be? Or what metrics need to be hit or --

Secretary McDonough: We may have more, I know you're coming on Wednesday. We may have more on Wednesday on that. But at my fingertips this morning, no.

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DWG: So what pushed the decision to no longer keep the 2023 timeline?

Secretary McDonough: I think what I'm reiterating is basically where we've been since we announced that we're not going to any of the other facilities until we have the Go Live checklists addressed and until we have our patient safety concerns addressed. Then we'll be in a position to go.

DWG: So the earlier timeline was just sort of a broader [inaudible].

I was wondering if you're confident in that the cybersecurity capabilities of the agency are now, we've heard some reporting on complaints on the inside in the past few weeks here, and when that [inaudible] meeting might be changing the circumstances or the dynamic. I wanted to hear your thoughts on some of those concerns.

Secretary McDonough: It's an ongoing concern. It's an issue that we discuss regularly with Assistant Secretary for OINT Kurt DelBene. It's an issue that we're staying in touch with the interagency on to make sure that we have our best understanding of what threats are out there and that we're hardened for those threats. We're obviously staying in close touch with Congress on this as well. This is obviously a major concern of Congress'. We have a series of reporting requirements for Congress. And so we're staying very close to Congress on this as well.

So I think your question was do I have concerns. The answer is yes, I have a lot of concerns and I think a lot of cybersecurity, this is one of the issues that I think we have to all be regularly concerned and regularly intentional about.

DWG: Is there any particular set of vulnerabilities at the moment that one is addressing or that you're concerned about the ones in the past month or so, especially from inside the VA?

Secretary McDonough: Nothing beyond our broad strategic concerns. Different concerns arise at different times related to different developments, but I don't have anything specific.

DWG: [Inaudible].

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Secretary McDonough: Yeah.

DWG: Jory Heckman, Federal News Network.

Going back to the hiring piece under the PACT Act. What's VA's plan for bringing on the kind of HR folks and doing the kind of long term staffing, planning, and what are some of the next steps?

Secretary McDonough: I think we'll probably talk about this later this week too. But I think two things they're focusing on. One is the President's budget request for FY23 includes important investments in allowing us to increase our HR hires. We have the lowest ratio of HR professionals per employee in the federal government by a long shot. So we need more HR professionals. One.

Two, the responsibilities our HR professionals have are among the most complicated inasmuch as we have three hiring [inaudible] -- Title 5, Title 38, and then hybrid Title 38. So we need HR experts who are conversant in, fluent in, all three of those hiring structures.

That also, by the way, makes our personnel very desirable for other members of the federal family once they're up and trained. So one of the reason we have a low ratio of HR professionals per employee is that a lot of our people end up hired away to other federal agencies. So the first thing is we just need to hire more.

The second thing is, there's an effort called HR modernization that was undertaken in the last administration which basically took the HR function out of the individual hospitals and put it into the VISNs, the regional groupings that we have. So take my home VISN 23, which is Minnesota, North Dakota, South Dakota, Nebraska, Iowa. It's also known as God's country. I don't know if any of you have ever been there.

So the bottom line is, the idea was to bring that authority into the VISNs so as to get some kind of economy of scale across that hiring geography.

I think HR modernization has let's say underperformed in the last several years and it's been a source of considerable agitation for our VA medical centers. So we are intensifying

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focus and resources to the VISNs to ensure that they're hiring using these authorities, getting them out the door.

So I think that would be the thing to watch in the coming months is how are the VISNs doing, how are they using these new authorities, and to what extent?

DWG: You made it clear that the VA is going to go on with a Quadrennial Review process if the VA AIR Commission, [Inaudible] Act doesn't go forward as --

Secretary McDonough: It has not gone forward and it will not go forward as far as I can tell.

DWG: How soon does that Quadrennial Review process get up and running? And what are kind of the initial steps that VA is doing to --

Secretary McDonough: It's a really good question. And inasmuch as I've made clear that the Quadrennial Reviews will continue, all I'm saying is we're going to follow the law because the law requires us to do the Quadrennial Review. I think the four year Quadrennial Review is redundant.

So we're going to do the reviews. The first thing we have to do is we have to update what are called the market assessments. There's two big variables in the work that we released last March. One was the market assessments which go back to 2019. The market assessments went into 97 different markets, looked at how many vets are there, what are the conditions they're wrestling with, what numbers do we anticipate of veterans are going to be there for the next three decades? Then what do we have for capability there, what is the nature of the facilities that we have there, and then what does the community provide there? So that's the first thing, market assessments.

The second thing are the recommendations.

So the first thing we're going to do, and we are doing this now, is we are updating those market assessments to make sure that they reflect the reality of healthcare post-pandemic. I've been very concerned. I was concerned since the day I arrived in the job that those market assessments were stale and therefore, the wrong analytic basis or surely a questionable analytic basis on which to make these big strategic decisions about the second

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part of the AIR Commission process which is the recommendations.

So the first thing is we're focused on that. Eventually we'll get to the recommendations. We're going to change our approach to that, too, inasmuch as both the market assessments were dated, handled in a very narrow channel. That fed a recommendations process that was also very narrow channeled.

As we revisit the recommendations, we will engage at the VISN level with veterans themselves, with VSO, with our workforce, with the unions and with communities, to talk about what should the structure look like going forward.

That doesn't happen until sometime next year.

In all cases, though, there are big pieces of the AIR Commission recommendations that notwithstanding the problems with the AIR Commission and notwithstanding my concern about, for example, the market assessments, there are some big pieces of those recommendations that are sound and that should go forward. So we'll continue to do that through our internal processes and through our budget process with the President. The President has asked for two years in a row now, the biggest levels of infrastructure spending. Congress still says hey, that's not enough. So I'm hoping that we'll convince Congress next year that we ask for enough. So let's hope it's a big number.

Moderator: We're under two minutes.

DWG: Just a quick follow-up for something you told Mike. The \$111 million that you've paid out for the three presumptive, is there any more context you can provide about what that means? How many veterans that represents, how it compares to --

Secretary McDonough: There is and we'll have it on Wednesday. I'm sorry I can't give it to you now. These are all things that I've been working on all weekend. We'll definitely get it to you. But I don't have the precise number in my head partially because we don't yet have the precise number, but we will have it by Wednesday.

Moderator: Mr. Secretary, thank you for a thoughtful and thought-provoking discussion. You have if not the most among the most important missions that our government has, and we again thank you for your time and wish you the best of luck.

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Secretary McDonough: Thom, thanks so much. I've always really enjoyed working with you. Sometimes, mostly I'd call and yell at you because somebody leaked you something you shouldn't have had. [Laughter].

Moderator: I have nothing for you on that. [Laughter].

Secretary McDonough: But there's not a more decent, committed, patriotic person in public life than you, so I was really pleased that you invited me to come over.

And thank you all for the function that you carry out. It's really, really important. And most of the time I agree with it.

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