



# Federal Health Matters

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## *VA to Fill Private Sector Prescriptions*

About four months after the House VA Subcommittee on Health listened to various legislators explain their plans for having the VA fill private sector prescriptions, VA Secretary Anthony J. Principi announced a new policy to do just that—temporarily. Starting on September 22, veterans who have enrolled in VA health care before July 25, 2003, have requested an initial primary care appointment prior to this date, and have been waiting more than 30 days for that appointment will be able to obtain medication prescribed by a non-VA provider through a special VA mail order program.

Obtaining prescription drugs from the VA pharmacy is attractive to many veterans—even those with private health insurance—because of the low copayments offered. But until now, a veteran with a private sector prescription had to be examined by a VA provider, who would review and sign off on the prescription, before taking advantage of the VA pharmacy benefit. This requirement created an influx of veterans seeking initial appointments with VA primary care providers, which had the effect of flooding an already overtaxed system.

The new program is designed as a short-term fix only—a way to alleviate the long wait to see a VA health care provider and to ensure

that new enrollees who are waiting for care receive the medications they need in the meantime. By not eliminating entirely the requirement that veterans be examined a VA provider, the VA hopes to maintain the continuity of care that is central to its philosophy.

Currently, the VA is in the process of identifying an estimated 200,000 eligible veterans, and it will begin mailing instructions to these veterans and their private sector providers in early September. VA pharmacies will fill only written (not electronic) prescriptions signed by licensed physicians for drugs included on the VA's national formulary. Requests for nonformulary drugs must be determined medically necessary by VA staff. Once the veterans have their first VA primary care appointment, they will qualify for the full health care benefit.

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## *New Clinic for Chenega Bay Alaska Natives*

For residents of the native Alaskan village of Chenega, located on an isolated island in Prince William Sound, obtaining health care means either visiting the island's outdated IHS facility or making the 14-hour journey, by ferry and car, to the closest IHS hospital. Soon, however, there will be a new option.

On August 6, HHS Secretary Tommy G. Thompson announced the award of a contract for a new, high tech Chenega Bay Health Clinic to the Chugachmiut Regional Health Corporation. Much of the \$1.2 million budgeted for this project is needed to transport workers and materials to the island, which is accessible only by air or water. A significant portion, however, will help link the clinic by satellite, radio, and computer to the IHS Alaska Native Medical Center in Anchorage. These links are key to the operation of the new clinic, which will be staffed only by a health aide and visiting specialists, because they enable real-time consultation with remote providers. The clinic will provide routine care, including eye care, dental care, laboratory and pharmacy services, and physical therapy. For more complex or emergent care, patients will need to be transported to a hospital.

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## *Pushing for VA Pay Increases*

Given that its physician pay system hasn't changed in 12 years, it's not surprising that the VA is having trouble recruiting and retaining high quality providers. This is particularly true for certain "shortage specialties"—such as anesthesiology, cardiology, gastroenterology, oncology, orthopedic surgery, radiology, and urology—in which the

gap between VA and private sector total compensation can reach 35% or more.

In order to rectify the situation for both physicians and dentists, VA Secretary Anthony J. Principi proposed to Congress a new pay system that uses a three-tiered structure to help the VA keep up with competitive private sector mar-

kets. Base pay, the first tier, would cover all physicians and dentists regardless of grade. The second tier, market pay, would be adjusted to geographic area, specialty, assignment, personal qualifications, and experience. This tier also allows the VA to monitor outside salaries to maintain competitive pay. The last tier would correlate directly with

performance and be based on specific achievements in quality, productivity, and support of VA goals.

Nurse executives haven't been overlooked: The special pay authorized by Principi's proposal for these professionals could boost their annual salaries, which currently are capped at \$125,000, by \$10,000 to \$25,000. ●