

# United States Senate

May 27, 2016

Jay Gellert  
President and Chief Executive Officer  
Health Net, Inc.  
21650 Oxnard Street  
Woodland Hills, CA 91367

Dear Mr. Gellert:

I write today regarding the implementation and execution of the Veterans Access, Choice and Accountability Act. When the President signed this legislation into law in August 2014, it created the Veterans Choice Program with the intent of providing a more timely route to community care for veterans unable to receive such care directly from the Department of Veterans Affairs (VA). With the \$10 billion appropriated to administer the program, the VA subsequently chose to contract with both your company and TriWest, with Health Net serving as the third party administrator of the program in my state of Montana. Today, I write to share some of my ongoing frustrations with Health Net's administration of the Choice program, and to follow-up on some of the recent assurances made by your staff when they visited Montana with VA officials in March.

Following the rollout of the Choice Program, I held multiple listening sessions and deployed my staff across the state to hear first-hand from veterans and VA staff about their experiences with Choice. I took many of their concerns and ideas back to Washington to share with senior leadership at the VA, including Secretary McDonald, and many of my Congressional colleagues. The end result was my legislation, the Improving Veterans Access to Care in the Community Act, which I strongly believe will reform the Choice program so it works better for veterans, the VA and community providers. But in order to live up to the promises we made to veterans, there are also steps that need to be taken administratively to ensure the program is properly executed. Ultimately, VA and Health Net also need to do absolutely everything they can to ensure the program is properly implemented and executed on the ground. And it needs to be done in a way that makes sense for veterans, community providers and taxpayers.

Yet veterans continue to be frustrated with Health Net call center wait times and service. To address this issue, I received assurances that Health Net planned to add 300 additional employees to its call center operation. Can you confirm that those positions have been filled? If so, how did you determine that was the appropriate number to adequately meet the number of incoming calls from veterans? Finally, how will you monitor this situation to ensure that call center wait times and service meet the evolving workload?

It is also my understanding that Health Net has been in the process of hiring and embedding two referral specialists at Fort Harrison for several weeks. Can you confirm when these folks will be hired, trained and in a position to begin helping veterans? Additionally, can you clarify the extent of their responsibilities, and whether they will they be empowered to make decisions locally that ensure veterans are able to receive quality care in the most timely manner possible?

I know that the VA has also recently implemented a policy change in a handful of states, including Montana, that allows VA facilities to schedule appointments with Choice funds if Health Net is unable to schedule an urgent appointment within two days or a non-urgent appointment within seven days. Since that policy change became effective in Montana, how many referrals have been kicked back to Fort Harrison by Health Net? Of those referrals, what was the primary reason for your company's inability to meet these standards? And moving forward, what is Health Net doing to overcome the chief impediments to meeting those standards?

Additionally, community providers across Montana continue to share frustrations with me about the processing of reimbursement claims. Many of these providers are in small towns with limited resources and they simply cannot afford to wait months and months to be reimbursed by Health Net for providing care to veterans. While I support ongoing efforts your company is making to provide more transparency to your reimbursements process in order for providers to check the status of their claims online, I am deeply troubled by your inability to provide these claims in a timely manner. I understand that some claims can take more than 30 days to process. That is simply unacceptable. With that in mind, I would like to know how many outstanding claims from Montana providers are currently older than 30 days. What is the total cost of these claims? When will all of those outstanding claims be properly reimbursed? And what steps are being taken by Health Net to ensure claims no longer go multiple weeks, much less months, to be reimbursed? Finally, will you take any voluntary action to reimburse the taxpayer for your company's inability to schedule these appointments in a timely manner?

I am fully aware that the initial rollout of the Choice Program was not ideal. And that is why I am working tirelessly to ensure the right policy changes are made and the appropriate amount of focus and resources are placed on the program to ensure it is working as intended. However, it is long past time for Health Net to step up and make the meaningful changes that are desperately needed to make Choice work better for Montana veterans and taxpayers. To continue to come up short would be in direct conflict with your contractual obligations and should give the VA grounds to remove Health Net from further and future involvement with the Choice Program or any other community care program through the VA.

Make no mistake about it - this is a significant problem and needs to be fixed immediately. Despite repeated promises from Health Net, I continue to hear many of the same complaints Montana veterans had when Health Net first took responsibility for the Choice program. Quite simply, you have no freedom to fail here. Montana veterans rely upon the Choice Program, and its ineffectiveness is causing them to lose faith and confidence in the VA and the commitment this country made to them when they voluntarily signed up to protect and serve all of us. The work to restore that faith and confidence cannot be delayed any longer.

With the recent acquisition of Health Net by Centene, I am hopeful that Health Net will feel much more urgency to do the right thing on behalf of Montana veterans, and I eagerly await your timely response to my questions.

Sincerely,



Jon Tester  
United States Senator