

THE BROOKINGS INSTITUTION
BROOKINGS EXECUTIVE EDUCATION
VETERANS LEADERSHIP SYMPOSIUM
(KEYNOTE)

Washington, D.C.

Friday, March 6, 2015

EDWARD DeSEVE
Executive in Residence
Brookings Executive Education

INTRODUCTION: MICHAEL O'HANLON
Co-Director, Center for 21st Century Security and Intelligence
Director of Research, Foreign Policy
The Brookings Institution

KEYNOTE: ROBERT McDONALD
Secretary
U.S. Department of Veterans Affairs

* * * * *

P R O C E E D I N G S

MR. DeSEVE: I am going to ask Michael O'Hanlon to step forward. He is Brookings' head of -- I'll let him describe his entire title -- our overall Research and Foreign Policy, et cetera, for Defense and other -- I obviously did not read my bio notes, right? Anyway, Michael O'Hanlon.

I N T R O D U C T I O N

MR. O'HANLON: Good morning, everyone, and thank you all. Of course, I'm not here to introduce myself. I'm here with a much greater pleasure to introduce the Secretary of Veterans Affairs and to welcome him to Brookings. We are delighted to have Robert McDonald with us today. I know you are as well.

He's a 1975 graduate of West Point, the U.S. Military Academy. I think it's fair to say the American soldier has never been far from his heart ever since, and that goes for Marines, Airmen and Airwomen, Sailors, and Coast Guardsmen, I'm sure as well.

He has been involved, of course, throughout his career at Procter & Gamble often taking great interest in military, national security and veterans' issues. As you know, he joined Procter & Gamble in 1980.

First, he had a stint with the 82nd Airborne Division and was Ranger qualified in that stint in the U.S. Army, got an MBA at the University of Utah, joined Procter & Gamble, and spent 33 years there rising to the Chief Executive Officer position. President Obama then asked him last year to lead the Veterans Affairs Agency, which he has been doing since the summer. As you know, it's a very important and transformational time, and Secretary McDonald has already made an important mark on the affairs of all our veterans and the Department of Veterans Affairs that he leads.

Please join me in a rousing welcome for Secretary Robert McDonald.

(Applause)

SECRETARY McDONALD: Thank you. It's great to be here with you. As Ed was talking, and he talked about the paramount event, it reminded me of when I was general manager of our Procter & Gamble operation in the Philippines. Every time we would have a company event, our head of H.R. would put on the agenda "Inspirational Speech," and put my name next to it. I said would you mind changing that, put "Speech Which Lacks Motivation or Inspiration" or something to keep expectations down.

I am thrilled to be here at Brookings Institution. I think the last time I was here, I was with Procter & Gamble and I was talking about U.S./China business policy. I was Chair of the U.S./China Business Council at the time.

It's great to be here. It's great to be part -- I appreciate your presence to continue this discussion about what we can do to help the veterans of our country.

You know, veterans are a small minority in our country, less than seven percent of the American population are veterans, and less than .7 percent are currently serving. That is only 2.2 million Americans out of a total of 318 million. It's a very small percentage.

It certainly is a concern of mine as a student of history when a civilization gets disjointed from their military forces; it usually leads to some kind of a problem. When I think about that, I remind people that when Washington crossed the Delaware, the people he beat that night in Trenton, New Jersey were not the British, they were the Hessians, and the Hessians were the mercenaries fighting for the British at the time.

I think it is very important, the discussion you are having today, and I'm thrilled to be part of it.

I want to talk about what we are doing at Veterans Affairs, and give you

some insight into how the Veterans Affairs Department is essential to the United States, essential to American medicine, and obviously, essential to the veterans that we serve.

I see it as a higher calling. When President Obama got in touch with me, for me, there was no question at all as to whether I would do this. It was a sense of duty that I had to those who have fought the battles of our country.

The beginning of the inspiration of the Veterans Affairs Department was actually after the Civil War. There's a wonderful book written by the President of Harvard University called "The Republic of Suffering." What she talks about in that book is the Civil War created carnage that our country didn't expect. We had 750,000 Americans lose their lives in the Civil War. Imagine this. That is 514 Americans getting killed every day for four years. Remarkable. A carnage we didn't expect.

Because of that, most of the soldiers were buried on the battlefield in mass graves. In those days, there was not a history of dog tags. When I was in the Army, you always wore two dog tags around your neck, one that could be taken off if it needed to be, if you were lost, and another you put in your boot in case your feet got separated from your body. In the Civil War, there were no dog tags.

As a result of that, most of the soldiers who were buried were buried in mass graves without identification. President Lincoln in his second inaugural address talked about

"To care for him who shall have borne the battle and for his widow and his orphan, and in that he came up with the idea or they came up with the idea of creating a sanitation commission and working with Congress to appropriate land that would be national cemeteries all over the country.

It was the forerunner of the VA who actually dug up the bodies from the Civil War from these mass graves, worked to identify them, and then reburied them back in

these national cemeteries. That was the forerunner of the VA.

The VA, if you're a historian and have interest, we still have all these records that we have kept from the Civil War. We were able to identify about two-thirds of the body before they were reburied.

Recently, I was at Harvard Law School recruiting attorneys for our Veterans Appeal Board. They have there the tag that Oliver Wendell Holmes, our future Supreme Court Justice, pinned on his blouse before he went into battle, and it basically said if something happens to me, send my body back to this address and his parents.

Today, because so many of our veterans are women, we have about 11.5/12 percent of our veterans who are women, we paraphrase Lincoln's quote and we talk about caring for those who have borne the battle and their families and their survivors.

It's an important distinction because even 11.5/12 percent today, we are on our way to 20 percent of our veterans being women by about the year 2040. Since demographics are destiny, we know this is going to happen given the large percentage of women in the Department of Defense.

This is critically important to us because most of our buildings are over 50 years old. In fact, a large percentage of our buildings are over 100 years old. When you're talking about putting in women's clinics, hiring the gynecologists that you need, talking about child care, talking about in vitro fertilization, for example, these are changes that we in the VA have to make to a relatively aging infrastructure.

In addition to the importance of our mission, our values are incredibly important. Many of us wear these buttons that say "I CARE." It's an acronym to represent these five values - integrity, commitment, advocacy, respect, and excellence. These are the values that determine our behavior every single day. They are our

guideposts.

One of the first things I did as Secretary when I came in was I asked for every employee to recommit themselves to our mission and recommit themselves to our values. We're going to continue to do this annually as a leadership exercise to make sure that our employees, all 340,000 of them, have no question as to what our mission is, put the veteran at the center of everything we do, and have no question about our values.

In our organizational structure, we have three big lines of business. We actually have nine lines of business altogether, but they are housed in three big administrations. The Veterans Health Administration, which serves about nine million veterans in this country who are enrolled in health care, there are about 22 million veterans in total. The Veterans Benefits Administration. This is where many of our lines of business are housed, whether it is disability payments, pension, education, G.I. Bill. I got my graduate degree using the G.I. Bill. Insurance, home mortgages. I got my first house using a G.I. guaranteed mortgage.

Our foreclosure rate in G.I. guaranteed mortgages is much lower than the national average. Our veterans simply do not get foreclosed, which is a wonderful statement to their responsibility.

Of course, the oldest part of our organization is our National Cemetery Administration, where we run hundreds of cemeteries around the country.

In terms of benefits and services, this gives you a little background as to the benefits and services that we are involved in right now. I'm sure on your last panel you talked about vocational, rehabilitation and employment, which is so critically important to getting veterans the jobs that they so richly deserve when they get out of the military.

Our life insurance, we have one of the largest life insurance companies

in the country. It is 6.5 million veterans. Home loans, I talked about. Again, the foreclosure rate is the lowest in the industry for the last 25 consecutive quarters.

We pay out a lot of money in compensation and disability benefits, and we have increased and accelerated our ability to resolve claims that we have gotten. Our claims backlog is down about 60 percent nationally, but we have more work to do to get it down to zero by the end of this year, which is what we have committed to.

Our health care clients, we have the very best clients in the world. That is what our providers would say. We serve everybody from the 90 year old veteran of World War II to the 20 year old veteran of Iraq and Afghanistan.

This is something that we take very personally, how we care for these clients. I've been to over 100 different VA facilities so far in my job, one of the things I love to do is talk to our veterans. Our veterans have great stories to tell. They are stories of sacrifice for our country. It's great fun to meet them and their families.

Just so you know, when the war is over is when our job begins, and it doesn't end very quickly after the war. In fact, one of the things that occurred in the crisis in 2014 is that became the peak year for Vietnam veterans, for Vietnam era veterans. Even though it's 40 years after the war in Vietnam, 2014 was the peak year for VA to provide benefits to those veterans who fought that war.

This idea that war ends and VA can quickly relax or go away is actually wrong. We are still caring for the descendant of a Civil War veteran. We are still caring for a hundred Spanish American War veterans. If you look at what's going on in Iraq and Afghanistan, I think it's safe to say that we probably won't see the peak year of the demand on our services for Afghani and Iraqi veterans until probably 40 years from now. This is something that we as a society have to be ready for, and we as a Department have to be ready for.

In terms of facilities, we have over 150 medical centers. We just opened a new one in Orlando, Florida, so it probably should be 151. Think of these as major hospitals. Around those medical centers, we have 819 community based outpatient clinics. We have 300 vet centers. This is where we do readjustment counseling for people coming back from the battlefield.

We have community living centers. Think of those as places we can provide rehabilitation and treatment for people. Then we have mobile and outreach medical facilities as well, because 35 percent of our veterans want to settle in rural geographies, and as a result of that, we have to make sure we are able to reach them, whether it's a mobile clinic, a community based outpatient clinic, or whether it might be some aspect of tele-health that we do using the Internet.

As I was going around preparing for my Senate confirmation hearing, some of the centers I talked to said you know, this VA bureaucracy we have is very expensive and very laborious, what if we just got rid of the VA and we gave everybody vouchers to go out and use private sector care.

I thought it would be appropriate that I did a deep dive on this topic in order to educate myself. I wrote an op-ed that actually published in the Baltimore Sun talking about what I considered to be the importance of the VA to American medicine and to American society.

I would venture to say that U.S. medicine currently structured the way it is structured today could not survive without the VA and American medicine, and therefore the American public, would be in a much worse condition without the VA.

Let me tell you what I'm talking about. The VA is a three legged stool. If you take away any one of the legs, the stool falls over. It involves research. It involves education. It involves clinical studies. It's a unique triad of capabilities that benefit the

American public in a big way.

Let's talk first about research. Did you realize that the VA spends about \$1.8 billion a year on research, and frankly it's research no one else would do. I was in the private sector. If somebody came to me and I ran a private sector hospital and they said we'd like you to do research on spinal cord injuries, I'd say well, how many are there, how much do we have to invest, what's the rate of return, and I doubt many for profit hospital systems would do research on spinal cord injuries.

Well, the VA does. We have three Nobel Prize winners in the past, seven Lasker Award winners. A Lasker Award is like the Nobel Prize in the United States. We have done groundbreaking research on posttraumatic stress, on traumatic brain injury. We have the largest brain repository in the country. In our Bronx facility, we have the physical brains of a number of people which allows us to do research.

We have another thing in Boston called the Million Vet Project. Here we are going to have vials of a million veterans' blood. All of that blood will be genome sequenced, so if you want to do research on genome mapping and how genome affects outcomes, that will be available.

We were the first ones to create an electronic health record. It was a VA nurse that came up with the idea of using bar codes to connect patients with medical records, with the drug therapy they would be taking.

VA did the first liver transplant. They invented the nicotine patch. Just invented the Shingles vaccine. That was two VA doctors who invented the Shingles vaccine. Did the first implantable cardiac pacemaker. Is working with DARPA on artificial limbs that are controlled by brain waves.

This is some of the research that has come out of the VA. American medicine would be very different today without it.

Education and training. Did you realize that over 70 percent of all the doctors in this country are trained by the VA. We're partners with over 1,800 educational institutions. Our very best medical centers have connections with the very best medical schools in the country.

If you go out to San Francisco to our facility at Fort Miley, you would see that we are connected there with the University of California San Francisco Medical School. If you go out to our facility in Palo Alto, you would see we are connected with Stanford University Medical School. If you go to our facilities in Boston, we are connected with Massachusetts General Hospital and Harvard Medical School. If you go to Durham, you would see our facilities right across the street from the Duke University Medical School and Hospital.

This is great for us. It means that many of our doctors also teach in the medical schools. I am a big believer in Stephen Covey's "Seven Habits of Highly Effective People." One of the things Stephen wrote about in that book is that if you want somebody to learn something, force them to teach it.

If you go to our facility in West Roxbury, you would find our head of Cardiology is also the head of Cardiology at Harvard Medical School. Our Chief of Staff in Stanford teaches at Stanford Medical School.

This is great for our veterans. It gets them the very best doctors in our country, and many of those doctors choose to participate with us on each leg of the triad. They do research with us. They teach in the medical schools, and of course, they teach residents in our facilities, and also they do their clinical work in our facilities.

Recently, with the passage of the CHOICE Act and with the passage of the Clay Hunt Act, Congress have given us more residencies, and that's terrific.

I think of the VA as the canary in the coal mine. We see problems in

U.S. medicine before everyone else sees them. We saw the shortage of primary care physicians before everyone else. We have seen the shortage in mental health professionals before everyone else.

That is what caused us to go back to Congress and say please give us more residencies. When I meet with the Deans of these medical schools, and I've been to about 13 of them so far, the University of Delaware last week, what they tell me is the problem isn't the throughput through the medical school, the problem is having the residencies for the medical school students to land at when they graduate from medical school. Congress has been very helpful in giving us these additional residencies.

Another part of our education and training is Veterans Courts. I am a big fan of Veterans Courts. It is one of the reasons I visited Harvard Law School. We partner with law schools to develop these courts.

One of the things we have committed to is eliminating veteran homelessness by the end of this year. Veteran homelessness is down 33 percent. That's a number from January 2014. I hope we have made progress even versus that number. It continues to be a big issue.

One of the guarantees for veteran homelessness is if you incarcerate a veteran. If you incarcerate a veteran, they get used to the three meals a day and shelter over their head. It's almost a guarantee for homelessness afterwards. There is almost an one to one correlation.

What we do with the Veterans Courts is we are able to partner with the judge and provide the treatment for those veterans, hopefully avoiding incarceration, getting the veteran into treatment and providing housing that they need so they don't become homeless.

Clinical care is obviously the third leg of this stool and an important leg

because it informs the other legs of the stool. Almost 90 million scheduled appointments in 2013 alone. What may not be clear to you from the media is we get higher satisfaction rates from veterans for inpatient and outpatient care than private hospitals receive from their patients.

We have 340,000 employees, about one-third of them are veterans. If you extract those of our employees who are in the medical profession, that percentage rises dramatically. In our benefits area, sometimes over 50 percent of our employees are veterans. That is a very important thing that we do.

We are the largest employer of nurses in the nation, and taking care of our employees is critically important so they can take care of the veterans that we all serve.

Excellence today is what we are trying to achieve. We do lead the medical profession in many areas like MRSA infections. I told you about Dr. Oxman who helped invent the Shingles vaccine. It was my thrill to be here in Washington last year to give the Service to America Awards to two VA doctors. Last year, there were eight SAMMY Awards given. VA won two of the eight. It was terrific to be able to be part of that work.

Dr. Bill Bauman from our Bronx facility and Dr. Ann Spungen from our Bronx facility won the award for work they have done around spinal cord injuries. One of the things they discovered, and it is not surprising, someone who has a spinal cord injury will not have the life longevity that someone who does not have a spinal cord injury will have.

As a result of that, they have studied not just the spinal cord injury itself, but other systems of the body. Not surprisingly what they discovered is those other systems don't work properly if the person is bound to a wheelchair. As a result, if you're

bound to a wheelchair, you get greater deposits of fat. Your muscles atrophy. You get osteoporosis. These are things we can prevent.

They helped invent a system called the "exoskeleton" to help prevent these bad systems from occurring, leading to longer life for people with spinal cord injuries. Please watch this video.

(Video presentation)

SECRETARY McDONALD: Bill and Ann are amazing people. As Bill said in the opening, you may not have heard it, his father and mother were doctors. His father worked at the VA. His brother is a doctor at the VA, except in Vermont. Bill is in the Bronx. When he started his career, he worked for one of our Nobel Prize winning doctors. Incredibly inspirational.

His mother is about 85 years old, and she is an obstetrician, and she is still delivering babies today. An amazing family. Rock stars.

We're trying to make progress on getting veterans into care. As I think about the crisis that occurred last year, it's a huge opportunity for us. It's an opportunity to make dramatic progress on improving our care for veterans.

We have had 1.8 million more appointments this year than last year. We're using outside care. Our vision of the eventual system that we will get to in this country will be both inside VA care and outside care. Our appointments outside the VA are up nearly 45 percent above a year ago. That is even before the Choice cards were mailed out from November to January, so we expect that will go up. We have shrunk the electronic wait list. We now on average around the country have about a 30 days waiting time.

I've called many of my friends in the private sector to try to get benchmarking data, and they won't give it to me, but we're making good progress.

Certainly, there are places where we need to improve even more, but those places tend to be places where we have issues.

For example, getting primary care physicians into rural areas becomes an issue for us. It's an issue for the American population.

Yesterday I spoke at a conference of osteopathic physicians, and I was there to hire them because they tend to like to locate in rural areas.

We are making progress, and members of Congress have actually played a big role in helping us. We are now able to repay student loans, medical school loans, of \$120,000. That's double what it used to be. It used to be \$60,000. That's a huge increase, and that's a big incentive.

We can also with the Clay Hunt Act provide scholarship alternatives of \$30,000 for mental health professionals.

All of these things have helped. One of the first things I did coming in as Secretary is I benchmarked our compensation for our medical professionals with the private sector. We were not competitive, so we increased our salary bands in order to become competitive.

We also have incentives that we can use for specialties, for rural geographies and other things in order to incent people to go out in rural areas.

We are in the midst of the largest reorganization in our Department in our history. We are calling it "My VA." We call it My VA because that is the way we would like veterans to think about us. We would like them to think about us in a very intimate way, almost as if we were their customized Smart phone, where they have the applications they want, everything they want right at their fingertips. We want them to think of us that way.

There are five objectives with this. First is to improve the veteran

experience. Here again, I have called on friends of mine from the private sector to help us understand what a good customer experience is. Bob Iger at Disney, Arne Sorenson at Ritz Carlton, Harold Schultz at Starbucks are helping us benchmark and helping us train.

We are connected with a fellow named Fred Lee who wrote a book called "If Disney Ran Your Hospital." Anybody here had a bad experience at Disney? I didn't think so.

We're working hard to improve our veteran experience. We have hired a new veteran experience officer who has about 30 years experience at McDonald's. He's going to be helping us to achieve this.

Second, improving the employee experience. I've said this over and over again within our organization. We have absolutely no hope of improving the veteran experience if we don't improve the experience for our employees first, and that is why we have Gina Farrisee, who is the best H.R. leader we could ever have, and working with her, and also some members from the outside community. We are going to provide the very best employee experience.

What happens when an organization goes in crisis, you all know this, it very much turns inward. You forget about training. You forget about development. You forget about succession planning. You begin worrying about inside things, inside baseball.

What we have tried to do since coming in is use this crisis as an opportunity to get everybody turned outward, turned outward to the veteran experience, turned outward to members of Congress, turned outward to veteran service organizations, and to do that we now need to invest back in the employees, and that is one of the things we are doing.

The third point is improving our internal support services, trying to aggregate them, see if we can become more productive, and then take whatever resources that may be used inefficiently there, put them against the veteran experience.

Fourth, go to a culture of continuous improvement. We're training the organization on Lean Six Sigma as a way to improve our processes, become more efficient, and again, turn up a culture of continuous improvement.

Last but not least, enhancing strategic partnerships. We are embracing everyone who wants to help us. I think of strategic partnerships as a force multiplier, and we are very close to announcing an agreement very soon with our first strategic partner, which I think will surprise you, but there are people that want to help.

Let me give you an example. Recently, I was in Boston. I went to an operation called Home Base. Home Base is an operation that is funded by the Foundation of the Boston Red Sox. They have psychiatrists. They provide mental health care. Heretofore, some of the folks in VA saw that as competition. We now embrace it. We think it's terrific. We are working with Home Base in Boston.

One of the reasons that is important is 15 percent of veterans got less than Honorable Discharges. By law, we are unable in the VA to care for people with less than Honorable Discharges.

We recognized, and Chuck Hagel recognized in DOD, that we need to go back and look at some of those discharges. During the time of Vietnam and during the time when I was in the military, often times a way to eliminate a troublemaker was to give them a less than Honorable Discharge and get them out of the Service. Some of those people may have had posttraumatic stress before we knew what posttraumatic stress was, so we need to go back and reevaluate those.

In the meantime, our strategic partners can provide the care we can't

provide, and through those strategic partnerships, we can give them the knowledge that we have about posttraumatic stress and traumatic brain injury.

The other thing we are trying to do is simplify the operation. As I said, we had nine lines of business. Each line of business had its own geographic map and its own organization structure. We recently have announced that we have gone from those nine different geographic maps to one geographic map with five regions that follow state boundaries.

Similarly, we have had 14 websites that require 14 different user names and 14 different passwords. We're going to one website, one user name, one password.

The whole idea is to simplify, look at everything we do through the eyes of the veteran, and make it easier for the veteran to navigate our system and get the care they deserve.

I've talked about strategic partnerships, so I think I'll skip this. Basically, what we would like to do is provide the care that the veterans have already earned and to make sure we do that by giving them the very best experience they can possibly have.

I would be happy to take any questions or comments that you may have.
Yes, ma'am?

QUESTIONER: Sir, three years ago, I talked to the previous Secretary about a concern I had. One, I am a veteran.

SECRETARY McDONALD: Thank you for your service.

QUESTIONER: Thank you, sir. I'm retired. I'm also a veteran from Persian Gulf. I'm currently a DOD civilian, and I did serve in Iraq. I volunteered, eight months. I'm not alone, sir. In the Department of Defense, we have a lot of veterans who are prior military. I'm also a disabled veteran.

When I go to Iraq and I was injured or if I was injured, I wasn't, but if I

was, I could not claim that with my VA compensation. That is what I was asking, in the future, now that you are doing a paradigm shift with VA, is there going to be a possibility where continuous service as a civilian, a veteran as a civilian, to the Department of Defense for this country, if they go to battle and they were injured, could they add that injury into their compensation.

The other one, sir, that I need help from My VA, which is directly through you, is that minority veterans, sir, you have a Center of Minority Office. You also have minority veterans who advise you on minority needs of veterans, which I am a Pacific Islander representative for you.

SECRETARY McDONALD: Yes.

QUESTIONER: I wanted to ask this morning from DOL and the other senior members, do they have that. Sir, when you are out speaking to your partners, if you could please ask them if they have a minority veterans organization or a minority veterans advisory group, and if not, could you please advise them to get a hold of Ms. Ward and her fantastic group? We need everyone else to be following your footsteps.

Most importantly, sir, is the veteran, the continuous service of a veteran as a civilian.

SECRETARY McDONALD: I need to get into your issue in a little bit more depth, but if you are injured as part of DOD, I would suspect that would show up on your medical record, and we should look at it. Let me get into your particular situation.

QUESTIONER: DOD civilian.

SECRETARY McDONALD: All right. Let's get together on that. Let's see what we can do. On the minority issue, it's huge. I mentioned this in my comments. Elisa Basnight, who is our leader of the women's minority effort, is doing a terrific job. One of the things, I mentioned women in my comments, at 11.5 percent, and we are

going to be at 20 percent, and we have all these old structures, and we don't have the gynecologists that we need.

Without that group telling me what needed to be done, I don't think I'd be as knowledgeable as I am today. I'm very much with you, they play an important role.

I actually took one of the oil paintings off my office wall, and I'm told my office is the office that Omar Bradley had in 1947. I can't refute that and I can't support it. I have crawled around the desk to see if I could find his initials engraved in the desk. Of course, they didn't teach that at West Point, right. I couldn't find them.

I took one of these oil paintings off my wall and I put up a poster. The poster is Women in the Military. It has women in all services. I need that to remind me every single day of this huge change that we have to make to properly care for the women who have served. That is one of the things I've done.

I will talk to Tom Perez and others about the importance of this. Yes, sir?

QUESTIONER: I saw your piece about PTSD and traumatic brain injury. I was just wondering if there is more that the VA can do in terms of outreach and coming out in the community and talking to folks in the civilian labor workforce about PTSD, about traumatic brain injury.

I think there are a lot of rumors and a lot of misinformation that is out there about it.

SECRETARY McDONALD: Yes.

QUESTIONER: We have been working with the VA Medical Center in Washington, D.C. about having someone come to HUD and talk to us and do a workshop on PTSD and traumatic brain injury. They have been very cooperative. I was just wondering nationwide, is there more the VA can do in that regard.

SECRETARY McDONALD: You're absolutely right. This is a really big idea. I was on the Charlie Rose show recently with Jason who wrote the screenplay for American Sniper with Jake Wood of Team Rubicon, and with another individual who was injured in the war.

We spent a lot of time talking about this issue. It's very important that we go out there. It's very important. Number one, I think American Sniper has opened up the discussion in a positive way for the rest of us to understand what our veterans go through.

Number two, to somewhat take the stigma away from mental health. I was in El Paso recently with a Congressman looking for a new location for a medical facility for us. We passed a for profit hospital. They had a sign out front that said "Mental Health Facility." Neon lights. Of course, there were no cars in the parking lot. That is not the effective way to deal with mental health.

What we do in the VA is we use our primary care physicians to introduce the individual to a new doctor, it is already occurring in the clinical room, to eliminate that stigma, which I think is so important.

I also believe we have a role to play as this canary in the coal mine. What I want to do, and we are on track to do this, is to hold what I would call a brain summit. Call it what you want. Call it a brain summit in May. We're going to bring together all of the nation's experts.

I went out to San Francisco and I met with Dr. Stephen Hauser, who is a great guy. He's been able to discover that the trace markers in the brain for soldiers, for police officers, for firefighters, for NHL players who suffer collision, for NFL players. There are all these similarities.

What we need to do is get everybody together and triangulate all these

dots and make sure we inform the American public.

One of the things I tried to do on the Charlie Rose show is to tell people you do not need to be afraid of veterans. Studies show from 8 percent to 20 percent of veterans suffer posttraumatic stress. Call it an average of 15 percent. You do not need to be afraid of veterans. We know how to treat posttraumatic stress and we can improve people's lives. We do have to get the word out. You're absolutely right.

QUESTIONER: I'm John Sims. I'm from the Military Officers Association of America. It's an awesome organization. An Alexandria vet separated about 13 months ago. My VA is at Ft. Belvoir. They're doing a great job.

SECRETARY McDONALD: Great to hear. Thank you, John.

QUESTIONER: So, thank you very much. I'd like to talk about your research and your clinical care, and give you an example. There's a place called Boulder Crest Retreat for warriors and family wellness. It's in Bluemont, Virginia. It's an amazing location.

They bring in military families, veterans and their families. It's holistic and it's actually traditional therapy, so it's art therapy, music therapy, meditation, yoga. What I think makes it unique is one, it's a safe location. You just feel you are in some place different, which we can't always do at the VA clinic.

The second thing is it goes back to some of these traditional therapies. Great advancements in technology, in medicines, but some of these therapies have been proven -- we think they are new, and they have been going on for thousands of years.

SECRETARY McDONALD: Absolutely.

MR. SIMS: The last component, which I think makes it very unique, is the fact it's not an individual, it's the family. A veteran coming out with some posttraumatic stress connects to his spouse who connects to their kids, and this allows

the family to go and essentially do an intensive healing session, which often can help them reduce their medications and things like that.

The question is do you see the VA, even though we think of this as this huge organization, you are also very much a local community based organization, do you see the potential where the VA could do research and actually move into some of these almost back to the past type therapies?

SECRETARY McDONALD: Actually, the VA is one of the biggest users of alternative methods, of alternative medicine in the country. We use it for posttraumatic stress and traumatic brain injury. We're probably the largest acupuncture user in the country. We have been able to show that acupuncture for some individuals is an effective treatment. We also use electronic pulses.

Basically, the neat thing about the VA is we will try anything and if it works, we're thrilled. Also, if there are other people like Home Base or like this place you're talking about doing great work, we need to partner with them. Give me their name and address.

I'm meeting later today with Senator Bob Dole about another facility that has a similar profile to this one, all about trying to reduce suicide.

My point is, and I'm hoping I'm getting this across to organizations, it doesn't matter who does the work, what matters is the outcome. If we can partner with more and more people to get the right outcomes, that's what we should be doing. It's not about us. It's about the veteran. I'd love to learn more about the place you talked about.

QUESTIONER: Sir, thanks a lot for your briefing and all that. My name is Andy Stewart.

SECRETARY McDONALD: Hi, Andy.

QUESTIONER: I left the Army after 30 years of active duty. I had a

positive process, if you will, going into the VA system, but I noticed one thing. The VA and Active Duty use different computer systems. Here's what happened. I had to go to the Pentagon, I had to get a computerized printout on a disk, which I then had to print, about 100 PDF files. Then I had to convert that to paper. Then I had paper copies in file drawers, so I put them altogether into a stack of paper about three feet high, closer to two.

Then I had to take that over to the VA where they scanned it in and put it into their own computer system. That is a long way of saying is there any potential for the VA using the Active Duty system, and if not, your thoughts on that.

The second question is when you were crawling around under your desk, did you put your -- (Laughter)

SECRETARY McDONALD: No, I did not. I don't deface Government property. (Laughter)

Andy, the good news is you wouldn't have to do that anymore. We now have interoperability between the two electronic medical records, between the DOD record and the VA record. The VA record is called VistA. It's a digitized record now today.

Its open source, which means it is free, and we would like every private sector doctor to use it rather than buying a private sector record, which is more expensive. We'd like every VA doctor and non-VA doctor to provide crowd sourced innovation to us so we can continue to improve it.

Today, if you go on eBenefits, which is our benefits website, there is a blue button. If you click that blue button, you can get your entire medical record in digital format. Understandably, much of it will be PDFs, if it's old like yours or mine, but that's available today.

We feel that is critically important because if you think about the events the Service member goes through, for example, let's say your unit is hit by an IED, and that gets noted in the DOD record, that is so valuable to the VA provider later as they are trying to figure out how to best serve the veteran.

That interoperability becomes critically important. Congress has been helpful to give us money to do it. Nevertheless, we need to do everything we can.

What we are trying to do is build back the experience back into DOD. We think the veteran shouldn't be punished for DOD and VA being separate. For example, today, you can actually get your VA medical exam while you're still on active duty, before you PCS or before you go and become a veteran.

We're trying to drive everything we can upstream so that the day you leave DOD, you can start getting your benefits checks that you have already earned.

I can keep going. Yes, please.

QUESTIONER: It's always me for the last word. Secretary, thank you very, very much for being here. I know of your work with Procter & Gamble. I can see that you're bringing that to the Federal Government, especially you inherited a hot mess, and you have done a fantastic job. I know everyone in this room agrees with me on that.

SECRETARY McDONALD: Thank you. We're working hard.

QUESTIONER: One of the things that you did is you integrated technology. I commend your work. I commend the wonderful work that you have done with the organization, and I also would say when you are at the President's table, to your other colleagues in the other departments, can you whisper "technology is good?" Thank you.

SECRETARY McDONALD: Thank you for your comment. I want to give credit here to Sloan Gibson, my beloved West Point classmate and friend of 40 years

who is our Deputy Secretary. One of the things we did early on, Sloan started it and I was privileged to participate in it, is we went out to Silicon Valley. We called together all the companies that Procter & Gamble did business with.

Frankly, when Facebook started, Mark Zuckerberg, great young man, didn't know how to make money off what he was doing, so as the world's largest advertiser, we said we will get together with Mark. Mark, put some of your Facebook people in P&G, we will send some P&G people to Facebook, we will teach you how to make money off this.

We called together all these volunteers from Facebook, Google, these 20 something's, that had already made a whole bunch of money, but they were looking for opportunities to give back to their country.

We said great news, we won't pay you very much, and you can live in one of the most expensive cities in the country and come work for VA. We now have a digital services team of about 12, I think it is now, of these young people who are helping us do technology in a much faster and better way than we were ever able to before. We are going to keep hiring them to do that.

Thank you.

MR. DeSEVE: Mr. Secretary, thank you very much. (Applause)

MR. DeSEVE: I actually have the very last word, and it's going to be six words, that's it. Thank you. That's two. Mission, passion, and management works. Thank you very much.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016