



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

August 28, 2008

The Honorable Kay Bailey Hutchison  
United States Senate  
Washington, DC 20510

Dear Senator Hutchison:

This is in response to your inquiry regarding veteran complaints about the services provided by Valor Health Services at the Department of Veterans Affairs (VA) Community Based Outpatient Clinics (CBOCs) in Texas City and Galveston, Texas. VA has fully investigated the issues at the clinics, identified the problems, and is taking action to ensure full compliance with contract performance requirements.

The Galveston and Texas City CBOCs are operated by Valor Health Services under contract with the Michael E. DeBakey VA Medical Center (VAMC) in Houston, Texas. Over the past 17 months, VAMC senior management have looked into the veterans' complaints and found them to be valid. As a result, the VAMC has taken aggressive action to correct the deficiencies and ensure that Valor Health Services fully complies with the requirements of the contract.

The VAMC has measured access, performance, and patient satisfaction, as well as progress toward meeting the corrective plan of action. Failure to meet the performance measures has resulted in financial penalties according to the terms of the contract. If deficiencies continue, VA will take additional corrective action.

The VAMC Director, Mr. Edgar Tucker, is available to meet with you and your staff regarding this situation at your convenience. I hope this information is helpful to you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Peake", written over a horizontal line.

James B. Peake, M.D.