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Reforming Veterans Health Care: Now and for the Future

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Since 2014, investigations of the Veterans Health Administration (VHA) have revealed glaring issues with the Administration's policies and practices, including excessively long wait times and secret waitlists for health care at hundreds of Veterans Affairs (VA) facilities. A report from a VA whistleblower shows that as many as 238,000 veterans may have passed away before receiving care.[1]

The VA health care delivery system is in need of comprehensive reform to ensure that America's veterans receive quality, timely, and affordable health care. The Veterans Access, Choice and Accountability Act of 2014, enacted to address some of the access and accountability issues, sadly has fallen short.[2] The VA now needs to follow through on measures to correct current access problems and pursue a comprehensive reassessment and fundamental reform for the long term.

A Brief History of the VA Health System

The Veterans Health Administration (VHA) grew out of the first federal soldiers' facility established for Civil War Veterans of the Union Army. On March 3, 1865, President Abraham Lincoln signed a law to establish a national soldiers and sailors asylum.[3] Through this tradition, the United States government established the basic premise of caring "for him who shall have borne the battle and for his widow, and his orphan."[4]

However, in attempting to fulfill that promise, the VA has shown a pattern of choosing reaction over reform. For example, rapid expansion of facilities to relieve overcrowding created during and shortly after World War II led to overcapacity. Rather than reducing the size of the VA health system, Congress expanded VA health benefits, first to veterans without service-connected injuries (1966)[5] and eventually to spouses and children of disabled or deceased veterans (1973).[6]

The State of the Current VA Health System

The Veterans Health Administration,[7] the nation's largest integrated health system, is a single-payer health system, owned, run, and financed by the federal government. As the nation's largest integrated health system, the VHA provides comprehensive inpatient and outpatient services, including virtually all medical specialties, in more than 1,400 facilities.[8] Nearly 90 percent of VA employees work for the VHA, making it the largest subdivision of the VA and one of the largest bureaucracies in the federal government.[9] The VA also trains millions of health care professionals through clinical clerkship, residency, and fellowship programs (over 60 percent of all physicians in the United States have received some form of training at the VA).[10]

To better prioritize care, veterans are sorted into eight different Priority Groups (PGs), with Group 1 the highest priority and Group 8 the lowest. Sorting of veterans is performed according to level of service-connected disability, income (including Medicaid eligibility), and honors earned during combat.

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In fiscal year (FY) 2014, 9.11 million veterans were enrolled in the VA health care system, with 5.91 million veteran patients and 710,000 non-veteran patients. Expenditures were $57.45 billion for health care costs and $586 million in medical research.

Changing Demands

Because of changes in demand for the VA system and its services, determining proper policy for veteran health care is a complicated undertaking. From 2000 through 2014, the size of the U.S. veteran population declined by 17 percent. At the same time, the number of veterans using VA health care increased by 78 percent. The increase is largely the result of expanded eligibility and greater reliance on VA health care by recent veterans. The number of non-veteran VA patients has increased faster than the number of veteran patients: As of FY 2014, non-veteran patients represent 11 percent of all VA patients. In general, VA patients receive more than half of their care through non-VA sources, relying on the VA mostly for prescription drug benefits and inpatient visits associated with surgery.[11]

The veteran population is likely to decline by 19 percent over the next decade.[12] According to the U.S. Government Accountability Office (GAO), continued aging of the veteran population and military downsizing will lead to a 37 percent decease in the total number of veterans by 2033.[13] A recent RAND analysis suggests a general downward trend in the health of the VA patient population as a whole. Additional contributing factors to the evolution of VA health care demand over the next decade include:

- The long-term health impacts of deployment in Iraq or Afghanistan,
- Contingency plans for any future conflict, and
- Geographic shifts in the veteran population.[14]

Principles for VA Health Reform

The VA health system needs to implement short-term and long-term reforms to ensure timely, quality, and affordable health care for veterans.

1. Ryan Grim, "Leaked Document: Nearly One-Third of 847,000 Vets with Pending Applications for VA Health Care Already Died," *The Huffington Post*, July 13, 2015, http://www.huffingtonpost.com/2015/07/13/veterans-health-care-backlog-died_n_7785920.html (accessed June 14, 2016).
2. Veterans Access, Choice and Accountability Act of 2014, Public Law 113–146.
3. U.S. Department of Veterans Affairs, "History - VA History," http://www.va.gov/about_va/vahistory.asp (accessed June 14, 2016).
4. Abraham Lincoln, Second Inaugural Address, March 4, 1865, http://www.bartleby.com/124/pres32.html (accessed June 14, 2016).
5. Veterans' Readjustment Benefits Act of 1966, Public Law 89–358.
6. U.S. Department of Veterans Affairs, Chief Business Office Purchased Care, "Civilian Health and Medical Program of the Veterans Administration (CHAMPVA)," http://www.va.gov/purchasedcare/programs/dependents/champva/ (accessed June 14, 2016). The benefits for the families of deceased veterans were available only if the veteran passed away from service-related injuries.
7. The VHA is one of three subdivisions of the Department of Veterans Affairs, which also includes the Veterans Benefits Administration and the National Cemetery Administration.
8. There are 150 VA medical centers (VAMCs), 820 VA community-based outpatient clinics (CBOCs), 300 Vet centers, and numerous nursing homes. See Richard J. Griffin, "The State of VA Health Care," testimony before the Committee on Veterans' Affairs, U.S. Senate, May 15, 2014, http://www.va.gov/oig/pubs/statements/VAOIG-statement-20140515-griffin.pdf (accessed June 14, 2016).
9. As of December 2014, there were 315,113 VHA employees (both part-time and full-time), out of a total of 347,730 VA employees.
10. Association of American Medical Colleges, "The VA and Academic Medicine: Partners in Health Care, Training, and Research," July 18, 2014, https://www.aamc.org/download/385612/data/07182014.pdf (accessed June 14, 2016).
11. Erin Bagalman, "The Number of Veterans that Use VA Health Care Services: A Fact Sheet," Congressional Research Service *Report for Congress*, No. 43579, https://www.fas.org/sgp/crs/misc/R43579.pdf (accessed June 14, 2016).
12. The veteran population is expected to decline from 21.6 million in 2014 to 17.5 million by 2024.
13. Randall B. Williamson, "VA Health Care: Preliminary Findings on VA's Provision of Health Care Services to Women Veterans," testimony before the Subcommittee on Disability and Assistance and Memorial Affairs and Health, Committee on Veterans' Affairs, U.S. House of Representatives, http://www.gao.gov/assets/130/123055.pdf (accessed June 14, 2016).
14. Christine Eibner et al., *Current and Projected Characteristics and Unique Health Care Needs of the Patient Population Served by the Department of Veterans Affairs* (Santa Monica, CA: RAND Corporation, 2015), p. 55, http://www.rand.org/pubs/research_reports/RR1165z1.html (accessed June 14, 2016).

Short-term Reforms

The VA can develop a clear and consistent strategy for ending its current crisis with the following actions:

- **Settle** immediate access issues;
- **Resolve** internal personnel and management failures, replenish clinicians, and improve access and accountability;
- **Make** decisions about access to care based on veteran-specific health care circumstances rather than time or distance restrictions or the arbitrary judgment of VA administrators; and
- **Streamline** medical claims and payments to avoid credit issues for veterans.

Long-term Reforms

The VA can develop a long-term, fiscally responsible solution to meet the changing health care needs of veterans and improve access to quality care with the following:

- **Center reform efforts on veterans.** Decisions about how and where to provide health care and how to finance those services should be based on meeting the unique and changing health care needs of veterans and not the institutional or political concerns of the VA or any other governmental organization.
- **Refocus efforts on service-connected health care needs.** Limited resources should be used primarily to provide the best possible care to veterans dealing with injuries or illness received in the line of duty.
- **Provide appropriate services and out-source as necessary.** The VHA provides quality service to veterans with combat-related multi-trauma and service-related conditions such as posttraumatic stress disorder (PTSD). The VA should continue to invest in the research needed to improve those services. However, if a veteran can receive better care at a non-VA facility, especially for non-service-related issues, the VA should facilitate access to those services.
- **Enact fiscally responsible reforms.** Reform is not reducible to eliminating benefits or beneficiaries in an attempt to balance the budget. However, reform should be fiscally responsible and provide quality care in a cost-effective way. In addition, reforms should be based on a longer term budget window rather than short-term fixes.
- **Incorporate accountability.** The VA should establish a clear line of accountability, provide access to applicable data, and publicly report on all aspects of its health care operations, including quality, safety, patient experience, timeliness, and cost-effectiveness. In addition, the VA should have the authority to hire and fire employees in a manner consistent with that in the private sector.

Conclusion

In order to make good on the promise to "care for him who has borne the battle," the VA needs to pursue short-term and long-term reforms aimed at providing timely access to quality care for current veterans and a reassessment of how best to serve the health care needs of future veterans.

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