



## Wrong Choice: How Outsourcing Care Endangers VA Healthcare

April 4, 2017

Legislative proposals in Congress threaten to drastically change how veterans receive healthcare. Three years ago, when there were extended wait times at a handful of VA medical centers, some policy makers wrongly characterized the entire VA as fundamentally broken. Their critiques ignored well-documented evidence that the VA outperforms the private sector in delivering high-quality care and that veterans consistently report a high degree of satisfaction with VA care. The policy makers' proposed solution, which is now on the verge of being adopted, is to give veterans the option of private sector care. While giving options to veterans sounds reasonable on the surface, this misguided proposal alters the existing Veterans Choice Program in two crucial ways that will cripple and ultimately dismantle the VA healthcare system:

**Financing.** With this plan, money to pay for outsourced care will be siphoned straight from the same pot that funds VA care. When a veteran uses non-VA care, the local VA will be required to foot the bill. Over time, as local VA funds are cut to pay for outsourced care, their providers, programs and clinics will be eliminated. The VA will become a shell of itself.

**Guardianship.** The VA will no longer be the guardian of veterans' healthcare. Under the proposed plan, veterans can bypass the VA, even if a nearby VA facility is fully capable of providing comprehensive, specialized care as quickly and at lower cost.

Advocates of outsourcing argue that moving more veterans into private sector health care will improve access and quality of care to veterans, while maintaining the integrity of the VA. Similarly, they claim outsourced care will have no negative impact on the VA's teaching and research missions. They also insist that this proposal does not constitute any form of privatization of the VA. Nothing could be further from the truth.

Here are the myths and facts about what veterans – and the country – stand to lose with outsourced care.

Myth: *VA providers, programs and clinics will remain available to veterans.*

Fact: ***As outsourced care expands, VA clinics and programs will close:*** With a fixed pot of money, as outsourced care expands, funding for VA facilities will dwindle. VA programs and clinics won't have adequate staffing to continue to offer services and

will ultimately close. As Disabled American Veterans Director Garry Augustine said to Congress on February 28, 2017, “The bottom line is, if you open up choice to anyone, and they can go anywhere, it will drain resources from the VA. The VA will eventually wither on the vine.”<sup>i</sup>

Myth: *Veterans are dissatisfied with their VA care and want the VA to switch to offering universal health care cards instead.*

Fact: ***The vast majority of veterans are pleased with their VA health care and oppose dismantling the existing system.*** In the just released Veterans of Foreign Wars' *Our Care 2017*<sup>ii</sup> survey of 10,800 veterans, more than three-quarters of those who had used the VA in the past year reported being satisfied with their experience and would recommend VA health care to their fellow veterans. When asked how they'd like to see the VA health care system improved to better serve veterans, 92% of survey respondents said they want to fix, not dismantle, the existing VA health care system. Only 1% said they preferred the VA to switch to offering universal health care cards.

Myth: *The VA is broken and veterans would get better health care in the private sector.*

Fact: ***The overall quality of care is better in the VA.*** According to independent evaluations, the VA outperforms the private sector on preventive and outpatient care, and performs equally well on other measures.<sup>iii iv v</sup> Psychotherapists in the community lack the skills necessary to deliver evidence-based mental health treatment to veterans with Post Traumatic Stress Disorder (PTSD) and depression.<sup>vi</sup> If VA facilities downsize, high-quality VA options that veterans deserve will be less available to them.

Fact: ***Integrated care will diminish.*** Veterans come to the VA with many complex problems. The VA uses an integrated care model that evaluates and cares for the whole person including their physical, emotional and social concerns. Integrated care is not only more comprehensive, it's more convenient for patients where everything is handled in one location – kind of like one-stop shopping.<sup>vii</sup> This level of integrated care is rare in the private sector.<sup>viii</sup>

Fact: ***The safety net for some of society's most vulnerable members will diminish:*** The VA – and only the VA – provides shelter, vocational, educational and caregiver services to veterans who need them. Private sector providers don't offer them.

Fact: ***The Choice Program has not improved access to care.*** According to the recent January 2017 VA OIG *Review of the Implementation of the Veterans Choice Program*<sup>ix</sup> Choice program referrals waited, on average, between 45-72 days for treatment. There aren't enough community providers available to truly expedite provision of care.

Myth: *Veteran-focused care won't be lost in the private sector*

Fact: ***VA providers are the experts on military-related problems:*** VA providers have amassed great expertise in the unique problems of those who served in the military. For example, VA providers diagnose the problems caused by toxic exposure

to burn pits in Iraq and Agent Orange in Vietnam. They are skilled with problems like Traumatic Brain Injury, Military Sexual Trauma and PTSD. Providers in the private sector typically don't have the training or experience to care for veterans post-deployment health concerns.

Fact: ***Only the VA is veteran-centric.*** The VA is a system that is for, by and about veterans. A third of VA employees, from clerks to surgeons, are veterans themselves. The VA also has over a thousand peer specialists who are veterans in successful recovery assisting in the delivery of mental health care. Nothing in the community matches this kind of veteran focus.

Myth: *Veterans will have the same eligibility and payments*

In all likelihood: ***Outsourced care will not be free:*** Because a program of outsourced care to private doctors, hospitals and health systems is estimated to be three times more expensive than the current system,<sup>x</sup> the extra outlays will have to be made up somewhere. Almost all advocates of increased outsourced care admit that it will cost individual veterans more in higher deductibles and out of pocket payments.

In all likelihood: ***Outsourced care will also lead to reduced eligibility for care:*** Another way to cover the expensive options of outsourced care is to drop some current or future veterans from eligibility.<sup>xi</sup> Some policy makers have proposed that only those veterans with service-connected disabilities should get VA care. They also propose limiting who gets primary care. Some go so far as to argue that the VA should no longer deliver primary care services. All veterans served their country and are entitled to the benefits they earned to a full spectrum of comprehensive healthcare services.

Myth: *Veterans healthcare won't be privatized*

Fact: ***An outsourced care program is privatization, even if it's called something else:*** As the VA becomes more a purchaser than a provider of healthcare services, money moves out of the VA into the private sector. That's privatization.

Myth: *Training for all our nation's healthcare professionals won't be affected by VA downsizing*

Fact: ***A fully staffed VA system is how our country's doctors and healthcare professionals get their training:*** More than two-thirds of all U.S. doctors, not just VA doctors, receive their training at VA facilities. So do 40 other healthcare professions. Significant reductions in the number of VA staff will undermine healthcare education nationally. The private sector won't be able to fill in all the gaps if there are large-scale losses of VA training opportunities.

Myth: *Life-changing breakthroughs by VA researchers won't diminish if veterans move to private sector care.*

Fact: ***VA's path-breaking research depends on a large national system.*** One of the little-known facts about the VA is that it is a research powerhouse. Because the VA has a large stable population that it follows over the long term, researchers can make breakthroughs that would be almost impossible if veterans' care were scattered across

the private sector. VA researchers, working along with scientists at universities, have pioneered, tested, and disseminated research that has made veterans and all Americans safer and healthier. This includes motorized prosthetics, medications for PTSD, liver transplants, the shingles vaccine and the first implantable cardiac pacemaker to name just a few life-saving developments pioneered by VA research.<sup>xii</sup> The VA is now conducting a Million Veteran study that promises to reveal how genetics impact health.

## **Recommendations**

1. Increase funding to those VA medical centers and clinics where staff/patient ratios are low. Support efforts to recruit and retain more VA healthcare professionals.
2. Continue to allocate funding for outsourced Choice Care when the VA is unable to provide timely or geographically convenient care. The VA should retain the responsibility and guardianship of deciding when to offer a veteran outsourced care.
3. Keep the allocations for outsourced Choice Care separate from VA facility budgets.
4. Continue to strengthen and reform the ineffective parts of the VA healthcare system.

## **Endnotes:**

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<sup>i</sup> <https://www.stripes.com/veterans-groups-warn-against-unlimited-choice-for-health-care-1.456560#.WLg7mBCsn-A>

<sup>ii</sup> VFW. (2017). *Our Care 2017: A report evaluating Veterans health care*. Washington D.C.: VFW. Retrieved from <https://www.vfw.org/news-and-publications/press-room/archives/2017/3/vfw-survey-veterans-want-va-fixed-not-dismantled>

<sup>iii</sup> Farmer, C. M., Hosek, S. D., & Adamson, D. M. (2016). Balancing Demand and Supply for Veterans' Health Care [Product Page]. Retrieved February 14, 2017, from [http://www.rand.org/pubs/research\\_reports/RR1165z4.html](http://www.rand.org/pubs/research_reports/RR1165z4.html)

<sup>iv</sup> O'Hanlon, C., Huang, C., Sloss, E., Price, R. A., Hussey, P., Farmer, C., & Gidengil, C. (2017). Comparing VA and Non-VA Quality of Care: A Systematic Review. *Journal of General Internal Medicine*, 32(1), 105–121. <https://doi.org/10.1007/s11606-016-3775-2>

<sup>v</sup> Association of VA Psychologist Leaders. (2016). *Comparison of VA to community healthcare: Summary of research 2000 – 2016*. Retrieved from: <http://bit.ly/1UOIEmF>

<sup>vi</sup> Tanielian, T., Farris, C., Epley, C., Farmer, C. M., Robinson, E., Engel, C. C., ...Jaycox, L. H. (2014). *Ready to Serve: Community-Based Provider Capacity to Deliver Culturally Competent, Quality Mental Health Care to Veterans and Their Families*. Santa Monica, CA: RAND Corporation. Retrieved from [http://www.rand.org/pubs/research\\_reports/RR806.html](http://www.rand.org/pubs/research_reports/RR806.html)

<sup>vii</sup> Pomerantz, A. S., Kearney, L. K., Wray, L. O., Post, E. P., & McCarthy, J. F. (2014). Mental health services in the medical home in the Department of Veterans Affairs: factors for successful integration. *Psychological Services*, 11(3), 243–253. <https://doi.org/10.1037/a0036638>

<sup>viii</sup> Commission on Care. (2016). *Commission on Care: Final Report*. Retrieved from [https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care\\_Final-Report\\_063016\\_FOR-WEB.pdf](https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care_Final-Report_063016_FOR-WEB.pdf).

<sup>ix</sup> VA Office of Inspector General. (2017). *Review of the Implementation of the Veterans Choice Program*. Retrieved from <https://www.va.gov/oig/pubs/VAOIG-15-04673-333.pdf>

<sup>x</sup> <https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/03/Estimating-Costs-for-Veterans-Health-022916.pdf>

<sup>xi</sup> <http://cv4a.org/wp-content/uploads/2016/01/Fixing-Veterans-Healthcare.pdf>

<sup>xii</sup> <http://www.research.va.gov/about/history.cfm>