



Health Policy Expert: Cut Free VA Care in Lieu of More Pay, Privatized Plans

Cathy Burke

November 26, 2016

The Department of Veteran Affairs should dismantle its free healthcare program – and instead offer better pay for troops and vouchers for vets to buy their own coverage on the open market, one health policy expert argues.

In an online essay, the Cato Institute's director of health policy studies, Michael Cannon, calls for privatizing the Veterans Health Administration, with shares of the new publicly run company given to vets and troops based on time in service.

Though Republicans including President-elect Donald Trump have argued in favor of expanding private-care options for veterans, none have offered plans to completely dismantle veteran's benefits and hospital management, Military Times reported.

Cannon argued his radical idea would both reform the VA and prevent future wars.

"Privatization would improve the quality of veterans' benefits immeasurably," he wrote. "The federal government promises veterans' benefits to military personnel once they leave active duty. Only it's not an explicit promise. And Congress doesn't fund it. As a result, Congress can – and does – renege on that commitment."

Privatization also would make the costs of war clearer – beforehand, per Cannon.

"Veterans benefits are one of the largest financial costs of any armed conflict," he wrote. "Yet Congress does not pre-fund those obligations. It only funds them once they come due," he wrote.

"[In the event of war], the added risk of deaths and injuries would cause premiums to rise, which would increase the amount of added pay Congress must provide each service member. The result is that future Congresses and presidents would have to confront this enormous cost of war at the moment they decide to send U.S. troops off to war, and every day they decide to keep them there."