



Serious VA reforms will make our veterans healthier, wealthier — and fewer

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By naming an insider, Obama appointee Dr. David Shulkin, to head the Department of Veterans Affairs, President-elect Trump suggests he doesn't realize yet how big an overhaul is needed to "Make the VA Great Again."

Shulkin understands that veterans need more choice and more resources, but the added choice he's promising them is small-bore stuff.

Offering veterans options outside the VA for obstetrics is great. But our veterans need and deserve a far more sweeping reform. And to fix the problems at the VA, Trump and Shulkin need to realize that the VA isn't merely failing to help veterans—it's actually endangering them.

Here's the real VA scandal: The agency makes it easier for Congress and the president to start unnecessary wars. The VA thereby increases the likelihood that soldiers will end up dead, traumatized, or otherwise disabled in the first place.

This isn't a widely expressed view, but the basic facts here are not in dispute.

The VA is a \$178 billion agency that provides life, health, disability, and other benefits to veterans. Shulkin currently runs the \$70 billion Veterans Health Administration, a completely government-owned and operated health system covering 9 million veteran-enrollees. The VHA is the largest integrated health system in the United States, and its closest analogue is the British National Health Service.

Being its own Cabinet agency separate from the Department of Defense, the VA has its own budget and appropriations. So when we account for the price tag of a war, we ought to include the costs of veterans' benefits, one of the largest financial costs of war. These costs typically peak around 40 years after a military conflict ends.

Yet Congress doesn't fund veterans' benefits until the bills come due, years or decades after the war that caused the health problems. The VA thus allows Congress to ignore one of the biggest costs of war when deciding whether to authorize or fund wars. If Congress had to pay those bills up front, the added expense might dissuade Congress from starting unnecessary wars.

Paying for veterans' benefits up front could have prevented the Iraq war. In 2002, 77 U.S. senators including Hillary Clinton voted to authorize the U.S. invasion, a vote Clinton later

called a mistake. "I thought I had acted in good faith and made the best decision I could with the information I had," she later wrote. "I still got it wrong."

The cost of providing benefits to veterans of a war in Iraq is one bit of information that could have been estimated at the time, and that Congress could have used. By 2014, the government had already spent \$134 billion on medical and disability benefits for Iraq and Afghanistan veterans, with taxpayers on the hook for another \$836 billion over the next four decades, according to estimates by Harvard scholar Linda Bilmes. Those cumulative costs are several times the annual budget of the VA.

There's a way to fix this cost-hiding while also fulfilling Trump's plan to "ensure every veteran has the choice to seek care at the VA or at a private service provider of their own choice": Boost pay to active-duty personnel, so they can buy private life, disability and health insurance to cover service-related losses. Congress would, in effect, be paying the war bills up front. Pre-funding veterans benefits could thus save lives and improve U.S. foreign policy by making Congress more reluctant to use force.

Just as reforming the VA's insurance functions would make active-duty personnel safer, reforming its healthcare delivery system would make veterans healthier and wealthier, and improve medical care for civilians.

If Congress converted the VHA's 1,700 facilities into a shareholder-owned corporation and distributed shares to veterans, then veterans would literally own the VA. Transferring ownership of the VA to veterans would constitute a huge wealth transfer to the people the VA exists to serve. The nation's largest integrated health system would be run *for* veterans, *by* veterans.

Doing so would improve the quality of care for both veterans and civilians. Current veterans would be free to continue using the VA under existing eligibility rules, but could also patronize private-sector providers, just as paying civilians could use the reformed VA system. Competition between the new VA and other private providers would force each to improve on dimensions of quality where it is weak.

These reforms would protect taxpayers while making our veterans healthier, wealthier, and most importantly, fewer.

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