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VA problems expose pitfalls of government healthcare

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Providing healthcare to veterans is less contentious than the vast majority of government programs. Almost everyone can agree, at least to some degree, that these veterans deserve some form of healthcare when they return from duty. The continued failures at the department of Veterans Affairs, largely spared from the partisan battles that surrounds other aspects of healthcare policy, serve as a warning of the potential problems of government-run healthcare. The past years have revealed that the department was not even aware of the terrible problems within, and that it has thus far been unable to meaningfully address them, and won't for years to come.

It took outside whistle-blowers, extensive outside audits and congressional investigations to reveal the extent of the problem. In some cases, the egregious levels of mismanagement made it impossible to determine the extent of the failures. Even after these diagnoses, widespread political consensus, and the passage of a bill meant to address the terrible shortcomings of the status quo, the fundamental problems at the VA remain stubbornly persistent.

A more recent audit from the Government Accountability Office found only 66 percent of claims within the agency's required time-frame of 30 days or less in FY 2015, and even this likely overstates their performance, because there are still delays in when paper claims received are put into the system. It takes pains to note that the review did not include a representative sample of claims and thus is not generalizable. But in the GAO's limited sample, it estimated that the delay was roughly two weeks, and that the department was not monitoring to ensure staff followed recommendations from a previous audit. The agency has taken some steps, but it "does not expect to deploy solutions to address all challenges until fiscal year 2018 or later."

The main response to the scandals was the passage of the Choice Act, which created a dedicated fund that would allow veterans unable to get timely care at non-VA providers. Despite the law's intentions, administrative weaknesses have led to much lower utilization than anticipated, provider networks had not been established and staff were unsure when to refer veterans to the program. As a result, actual obligations totaled only $413 million compared to the $3.2 billion anticipated. Instead of this new mechanism, veterans unable to get timely care from VA

providers instead turned to the Care in Community program, which allows vets to use other providers for certain specialty care services.

The higher than expected use of CIC, in response to shortcomings of the Choice Act, became a problem when the VA belatedly realized it would have a funding shortfall in the range of $2.75 billion ($2.34 billion of which was attributable to the CIC outlays). The VA then had to go in and obtain temporary authority to transfer funds from the Choice program to plug the funding gap. While it has been able to forestall any serious problems by this transfer, the shortcomings of the Choice program and the inability to design and implement effective policies to address the previous problems give little confidence in the department's ability to respond to problems and failures in any meaningful way.

If it can be so difficult for one of the less controversial aspects of government to resolve a failure that everyone agrees should be addressed, imagine the difficulties when two sides are bitterly opposed about what the problem is and what should be done.

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