



# VA Hospitals: Why Single-Payer Systems Fail

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The problems emerging from the Department of Veterans Affairs (VA) are deeper than corruption and mismanagement, explains Michael D. Tanner, senior fellow at the Cato Institute.

Scandals within the VA are popping up across the United States, as accusations emerge that veterans have died after waiting months to receive care:

- In Phoenix, 1,400 to 1,600 sick veterans were forced to wait months to see a doctor -- as many as 40 died as a result. VA administrators covered up the problems with secret waiting lists and false reports.
- At Fort Collins in Colorado, up to 6,300 veterans treated at an outpatient clinic were forced to wait months before receiving care. VA employees falsified records in order to cover up the delays.
- Whistleblowers in Wyoming are also accusing VA officials of manipulating office records in order to conceal patient wait times. Similar accusations have emerged in San Antonio and Austin.
- In Pittsburgh, VA officials have been accused of covering up veteran deaths after the water in the hospital became contaminated with bacteria.

The VA is a perfect example of why government-run health care fails. Like any single payer system, Tanner explains, the VA cuts and controls its costs with a budget that limits the amount that it can spend on care. Funding is determined not by what consumers are willing to spend, but by whatever budget Congress sets.

Demand for VA care has increased as soldiers return home from the Iraq and Afghanistan wars. From 2007 to 2012, enrollment in VA services rose by 13 percent. An additional \$24 billion -- a 76 percent increase -- was poured into the program over those five years, but the agency still has budget problems. And because the VA lacks the resources to provide all of the care that is demanded, it rations care -- just as every other single-payer system does.

Moreover, it takes an average 160 days simply for a veteran to gain access to his health benefits, and the case-processing backlog within the VA currently sits in excess of 344,000 claims. Appealing a VA decision is lengthy as well, requiring an average wait time of 1,598 days.

Tanner cites Medicaid as a similar example: Medicaid patients are six times as likely to be denied a doctor's appointment as the privately insured, and when they do manage to get an

appointment, they wait an average of 42 days to see a doctor -- twice as long as a privately insured individual would wait.

Promising health care does not mean that the government will actually deliver more health care, writes Tanner. Americans should take note of the problems within the VA as the federal government continues to exert greater control over our health system.

Source: Michael D. Tanner, "[How VA Hospitals Are a Government-run Disaster](#)," Cato Institute, May 16, 2014.