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INVESTOR'S BUSINESS DAILY

Blame Socialism, Not Eric Shinseki, For VA Problems

By Lawrence Kudlow

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The Veterans Affairs problem is not VA Secretary Eric Shinseki, it's socialism. The VA health care system is completely government-run. It is a pure single-payer program. National Review editor Rich Lowry calls it "an island of socialism in American health care." He is right. I've been arguing this all week.

So perhaps Democrats and Republicans will get together to sack Shinseki. But that won't change a thing. In fact, it's a distraction.

The long waits for treatment, with excessive delays resulting in as many as 40 deaths, are a tragically predictable outcome. This is the result of bureaucratic rationing, price controls, inefficiencies, and the inevitable cover-ups. It was the late James Buchanan, the Nobel Prize-winning economist, who taught us all about bureaucratic incentives in his seminal work on public choice.

So if Congress thinks it can find somebody who can tame the VA bureaucracy, it should go right ahead. But the statist VA health care system, which in so many ways mirrors the government-run health care problems in Britain, Europe, and Canada, must be completely changed.

We owe it to our brave veterans, to think about them on Memorial Day, which we set aside each year to honor all of our veterans who fought bravely for our freedom. Returning vets today deserve an efficient health care system, not this slipshod failure. And the only way to do that is to deliver choice and market competition.

Market competition will control costs and more efficiently distribute services. Profit motive, not run-amok bureaucrats, will discipline the system. Better doctors and health specialists will be attracted to this profit-based system. And our veterans at long last will get the medical care they deserve.

Don't tell me the problem is not enough government money. That is nonsense. Everyone should read John Merline's article in Investor's Business Daily headlined "VA Health Spending Soars as Vets Decline." Here are some of his numbers:

- From 2000 to 2013, VA outlays nearly tripled while the population of veterans declined by 4.3 million.
- Medicaid-care spending, which consumes about 40% of the VA's budget, has climbed 193% over those years.
- The number of patients served by the VA each year went up only 68%.

In another informative article, John Fund, citing Michael Tanner of the Cato Institute, notes that 344,000 veterans' care claims are now backed up and waiting to be processed, that it takes an average of 160 days for health-benefit approval, and that according to VA figures for 2012, veteran appeals face an average wait time of 1,598 days, or more than four years.

Study after study from the Congressional Budget Office and various inspectors general has been consistently critical of the VA operation. And as a Wall Street Journal editorial points out, various VA centers fudge their data.

For years President Obama has been talking about fixing the VA. But he never stayed with it. And now he says he's angry and wants accountability. But he will never understand that the single-payer government-run system is the real problem.

Of course, the Paul Krugmans of the world and their leftist allies call VA health care a triumph of socialist medicine. But once again we find out that this triumph is a defeat and that socialism doesn't work. As others have suggested, a system of government vouchers which permits veterans to choose their own health care plans, especially private health care plans, would be one giant step toward solving this problem.

Avik Roy points out that Republicans have not stood up for private-sector competition. And the Veterans of Foreign Wars has always opposed market choice and competition. But perhaps this is changing. Sens. John McCain, Tom Coburn and Richard Burr are putting forth a reform plan that will give veterans health care choice for the first time.

And there's another warning here. Contrary to the wishes of Sen. Harry Reid and House Democratic Leader Nancy Pelosi, ObamaCare must not become a major step toward single-payer health insurance. Instead, Republicans should fight for thorough ObamaCare reform. Get rid of the mandates. Institute real consumer choice. Stop the job-destroying tax and regulatory provisions. And let Americans keep their doctors and insurance plans.

This VA scandal is a reminder that government-run single-payer health care does not work. And it makes it clear that the entire system must be changed. We owe it to our veterans, and everyone else too.