THE HILL

Fixing the VA: Beyond the usual suspects

By: Michael D. Tanner
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If the ongoing scandal in the Department of Veterans Affairs (VA) health care system provides evidence of anything — in addition to our ongoing failure to provide adequate care for our veterans — it's that Washington's response is sadly predictable.

The first instinct in Washington is to look for scapegoats, or at least a sacrificial lamb. Accordingly, VA Secretary Eric Shinseki has resigned. No doubt he should have, since he was apparently clueless about the ongoing problems in his department. But the keyword here is "ongoing." The problems within the VA health system go back decades, long before the current administration.

In fact, as long ago as 2001, there were warnings that veterans were waiting more than two months to be seen, and the VA's inspector general had warned about problems with the waiting lists as far back as 2005. For that matter, back in 1945, then-Secretary Frank Hines resigned after reports of shoddy care at VA-run hospitals.

The Clinton administration did do a fair job of making improvements, but the underlying structural problems remained, and it didn't take long for the system to slip back to its old ways. After he left the VA, Kenneth Kizer, Clinton's undersecretary of Veterans Affairs for Health, who is credited with upgrading the system, described the VA culture as "toxic."

Washington’s second instinct is to throw money at the problem. The Senate has now done this, passing legislation sponsored by Sens. John McCain (R-Ariz.) and Bernie Sanders (I-Vt.) that would increase VA spending by roughly $2 billion, open 26 new clinics in 18 states and hire additional VA doctors and nurses. In the grand Washington tradition of add-ons, it also includes spending for things that have nothing to do with health care, such as guaranteeing "in-state" tuition at public colleges and universities to all veterans. Of course, since the bill is "emergency legislation," it is not subject to normal budget rules, such as having to be paid for through taxes or cuts in other spending.

But the VA's problem is not a lack of money. The VA spent $57 billion on health care last year, up 76 percent since 2007, while the number of unique patients increased by just 9 percent.

If there is one thing all Americans can agree on, it's that we owe our veterans all the care they need to treat the injuries they suffered while serving their county. But that doesn't mean that the federal government can or should run a massive bureaucracy that builds and owns hospitals,

hires doctors and provides care directly to millions of veterans regardless of whether or not their illnesses are service-related.

In fact, if we should know anything by now, it's that government does a terrible job of running a health care system.

After all, like all single-payer health systems around the world, the VA controls costs by imposing a "global budget" — a limit to how much it can spend on care. Thus year-to-year funding varies according to the whims of Congress, not according to what consumers want or are willing to spend. When resources can't meet demand in a given year, the VA does what other single-payer systems do: it rations. Thus, while we might be shocked by how the VA covered up its waiting lists, we should not be shocked that they exist.

Similarly, the VA maintains a very restrictive pharmaceutical formulary that often denies veterans access to the newest and most effective drugs. An analysis by Alain Enthoven and Kyna Fong of Stanford University estimates that less than one-third of the drugs available to Medicare beneficiaries are on the VA formulary. And, according to a study by Frank Lichtenberg of Columbia University, the restricted availability of drugs has reduced the average survival of veterans under VA care by as much as two months.

Those problems will not be solved by a few more dollars or putting different behinds in the bureaucratic chairs. A real solution will require fundament structural changes.

First, we should return the VA health care system to its core mission of treating combat- and other service-related injuries. Nearly 56 percent of VA patients today are being treated for illnesses that have nothing to do with their time in service. Yet, all veterans are not the same. Someone who just lost a leg to an IED in Afghanistan should not be treated the same as someone who shuffled papers stateside decades ago during peacetime.

Second, we should give the veterans themselves, not the government, more control over their health care. Even veterans with service-connected illnesses should have the option of going outside the VA for care. Yes, some traumatic combat injuries require specialized treatment that is not widely available outside the VA system, and the VA may have to continue providing such care. But most injuries and illnesses, even combated-connected ones, can be treated elsewhere. In fact, the VA already allows the outsourcing of care in cases where a patient cannot be treated within 30 days, but only at the VA's discretion.

The McCain-Sanders bill takes a tiny step in this direction, creating a two-year pilot project that would let veterans seek outside healthcare at VA expense if they experience long wait times for appointments or if they live more than 40 miles from a VA hospital or clinic. The VA would establish the minimum wait time before veterans could go elsewhere. Anyone want to bet that the trigger ends up being 30 days or longer?

But why should the choice to allow outside treatment be held hostage to the same bureaucrats who are responsible for the delays in the first place? All veterans with service-connected injuries should be allowed to seek treatment from any doctor or facility they wish, whether their family

physician or a national renowned specialist. The VA would then reimburse the provider directly. Alternatively, those veterans could be provided with vouchers allowing them to purchase private health insurance. Either way, the choice and, therefore, the control, should be in the vet's hands.

The McCain-Sanders bill now moves to the House, where it is expected to pass easily. It represents the same old Washington way of looking at a problem. We've tried that before. And, predictably, we've failed.

Maybe this time, we should try something different.

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