

# At Issue:

## *Should veterans' health care be privatized?*



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WRITTEN FOR *CQ RESEARCHER*, NOVEMBER 2014

**t**he problems besetting our veterans' health system will not be solved by changing personnel. The problems go back at least to 1945. Nor will spending more make things better. Department of Veterans Affairs (VA) spending has been rising faster than unique patient visits since at least 2007, and last summer's legislation added \$2 billion.

Rather, the VA suffers from problems intrinsic to any government-run, single-payer health care system. Like all such systems, the VA controls costs by limiting spending on care. Thus, year-to-year funding varies according to the whims of Congress.

The VA is very good, therefore, at holding down costs. But it does so largely by rationing care. For example, VA physicians are paid on a salaried basis rather than through traditional fee-for-service. As a result, they see far fewer patients per day than most doctors. Thus, while we might be shocked by how the VA covered up its waiting lists, we should not be shocked that the lists exist.

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

The solution lies in giving veterans themselves more control over their health care. 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 unrelated to their service.

Second, 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 not widely available outside the VA. But most injuries and illnesses, even combat-connected ones, can be treated elsewhere. Recent VA reforms take positive steps in this direction but leave too much of the final decision to bureaucrats.

All veterans with service-connected injuries should be allowed to seek treatment from any doctor or facility they wish. The VA would then reimburse the provider directly. Alternatively, veterans could be provided vouchers allowing them to purchase private health insurance. Either way, the choice and, therefore, the control, should be in vets' hands.



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WRITTEN FOR *CQ RESEARCHER*, NOVEMBER 2014

**a**ll Americans deserve an integrated health care system with specialized expertise, economies of scale, effective care coordination and a mission to keep patients healthy over the long run as opposed to simply maximizing profits. Sadly, our nation's fragmented health care delivery system and chronic physician shortages leave many consumers struggling to find good providers, enduring rushed medical appointments and falling through cracks entirely.

Veterans also deserve a specialized, coordinated health care system in return for their service to this country. Fortunately, they already have one: the Department of Veterans Affairs, the nation's largest integrated health care system that is consistently rated one of the country's top customer-service organizations.

Imagine veterans with post-traumatic stress disorder (PTSD) seeking emergency room care for an emotional breakdown; female veterans suffering from military sexual trauma needing help or Vietnam-era veterans with tremors unaware of the link between Agent Orange and Parkinson's disease. Should they be sent out to this fragmented health care system to manage their own diagnoses and treatment? The American Federation of Government Employees, which proudly represents 220,000 VA employees caring for veterans every day, echoes the resounding "No" of leading veterans' groups because only the VA's veteran-centric facilities specialize in the diagnosis and treatment of signature war wounds such as spinal cord injuries, vision loss, amputations, PTSD and traumatic brain injury.

The 2014 wait-list crisis had two takeaways: VA care is top notch once veterans get through the door, and we need more providers and clinic space to ensure they're treated in a timely manner. Recent bipartisan legislation provides emergency funding for more in-house staff, tackling the wait-time issue head-on.

Proponents of VA vouchers spend millions trying to convince Congress and the public that vouchers will outperform the VA — but they can't. The provider networks cannot match the VA's expertise, care coordination or electronic medical records. Steep CEO salaries are definitely no match for the VA's low administrative costs. When the VA cannot provide the care, it already has the authority and expertise to arrange contract care on a smaller scale. In fiscal 2014 alone, veterans had more than 2 million telehealth visits through the VA's state-of-the-art virtual-care program covering more than 44 clinical specialties.

The risks of massive VA vouchering are frightening, both for the viability of the VA and the rest of the nation that benefits enormously from VA best practices, training and research.