American Veterans Vote - Unite.
Official Position Paper

<u>Issue Paper 2</u>: Issues and Concerns at the Veterans Administration

Executive Summary:

1. The Department of Veterans Affairs (VA) budget has grown 550% since 2001 and is now the third largest program in the U.S. budget. However, the ever-increasing spending has not improved the outcomes for hundreds of thousands of military Veterans. Congress should conduct a clean-sheet analysis of the VA's problems and conduct the oversight that only Congress can do.

2. The VA's rules and internal issues often hamper its effectiveness.

A. Some experts assess that the disability compensation system encourages Veterans to be permanently disabled rather than treatable.

B. Other experts assert that the VA encourages fraud by over-classifying disabilities, which inflates payments and slows medical care for those who do need it.

C. The VA's two largest components, the Veteran's Health Administration and the Veterans Benefits Administration do not routinely share data with each other, which hampers its understanding of issues such as the Veteran suicide epidemic.

3. Over the past 50 years, numerous new rules, programs, policies, and activities have been added, but rarely have any been terminated. While each may have made sense individually, in the aggregate, they have hobbled the VA's ability to provide services to Veterans or accurately assess their impact. Congressional scrutiny is required to ensure that the VA achieves the quality outcomes needed by Veterans.

Issue:

The Department of Veterans Affairs (VA) has seen a 550% growth in funding since 2001. However, the explosive growth in VA funding has not translated into improved outcomes for hundreds of thousands of military Veterans. Congressional action is required to ensure that the VA achieves the quality outcomes needed by Veterans. Specific policy proposals and actions are listed at the end of this paper.

Background:

The VA is a large, complicated, and geographically dispersed organization whose mission and budget keep growing. For FY2023, it will be the third largest spending program in the U.S. government, behind only the Departments of Defense and of Health and Human Services.

The VA has three main components: the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration. Currently, 9.2 million Veterans are enrolled in the VA system. About two-thirds of them use the VHA, a Veteran-specific national healthcare system that owns most of the healthcare delivery sites, employs the providers, and directly provides care.

The VHA is the largest component of the VA. It is the largest healthcare provider network in the U.S. The VHA has a far more challenging job than its private sector counterparts because of the unique characteristics of its customer base which the VHA must accommodate but cannot control. First, it must treat Veterans all over the U.S. varying from those widely disbursed in rural areas to those concentrated in urban areas and care from geriatrics to home care to traumatic injuries to young people. Second, historically, the VHA has had an almost exclusively male customer base. However, the number of women Veterans using VHA services is increasing rapidly, from 1% in 2001 to circa 10% today. Third, the VA cannot control the expansion of its customer base, as Congress frequently adds new eligibility categories.

The VA budget has increased by 550% since 2001. For FY2023, the White House has requested $301.4 billion for it, a 10.5% increase over the FY2022 budget. However, the exponential growth in VA spending has not always led to commensurate increases in positive outcomes for Veterans. Some experts assess that the VA disability compensation system perversely encourages Veterans to be permanently disabled rather than be clients with treatable injuries. Other experts assert that the VA system encourages fraud by over-classifying disabilities, which inflates payments and slows medical care for those who need it by including those who don’t in the customer pool. Finally, the VHA and the VBA do not routinely share data with each other, which hampers the VA’s understanding its population and issues such as the Veteran suicide epidemic.

Previous VA reform efforts have encountered significant challenges, which ultimately stifled any real change. One obstacle has been that, over the past 50 years, numerous new rules, programs, policies, and activities have been added, but rarely have any been terminated. Taken individually, many made sense when implemented. However, in the aggregate, they have hobbled the VA's ability to provide services to Veterans or accurately assess their impact. In addition, a number of disparate interest groups have a vested interest in the continuation of payments from the VA. As a result, they have vocally resisted any reviews which they feared might harm their clientele.

Congress has passed a number of bills recently to address facets of the VA's systemic issues and has many proposals. (Examples are listed in Tab B and Tab C.) However, Congress has not taken a holistic approach to the VA's problems or recently conducted a clean-sheet analysis on which to base major changes. The Executive convened two high-level commissions in 1956 and 2007 to examine the VA and make recommendations. However, systemic changes were never implemented. All this has led to Veterans Affairs Department which is growing exponentially and is staffed by people who want to help Veterans, but who must work in an environment that is too politicized or too constrained by inflexible rules to carry out its mission. Ultimately, it is our Veterans that suffer from this conundrum, which only Congress can solve.

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Quick Facts:

Per VA Secretary Denis McDonough, the VA's FY 2022-28 Strategic Plan has four goals:

1. Communicate with customers and partners to achieve results

2. Deliver timely, high-quality care to all we serve

3. Build and maintain trust with Veterans

4. Pursue excellence

Facts about the VA's Veterans Health Agency

- The VHA is the largest element of the VA

- It accounts for 41% of its budget.

- It is the largest integrated healthcare system in the U.S., with 171 Medical Centers and 1,113 outpatient sites.

- The VHA employs more than 371,000 healthcare professionals and support staff but currently has about 50,000 vacant positions.

-It is the nation's largest provider of graduate medical education and a major contributor to medical and scientific research. Its education establishment has more than 25,000 active volunteers, 113,000 health professions trainees, and nearly 16,000 affiliated medical faculty.

- The number of women Veterans using VA services is increasing rapidly, growing from 159,810 in 2001 to over 600,000 today – and will continue to grow in the coming years. For FY2023, the VA plans to increase spending on women's health care by $756 million to $9.8 billion.

For FY2023, the White House has asked for $301.4 billion dollars, a 10.5% increase over the FY2022 budget. (Highlights are listed in Tab A.) The White House attributed the increased spending to inflation and the enduring effects of the coronavirus pandemic. However, other factors include

- increased enrollments,

- increased demand for care as Veterans age,

- and increased severity of their issues due to COVID-caused treatment delays.

More spending increases are also likely in the future due to:

- the expansion of VHA tasks under the 2018 VA MISSION Act,

- the recently signed Promise to Address Comprehensive Toxics (PACT) Act,

- its need to modernize and improve its technology and facilities,

- responding to the unique needs of the greatly expanding pool of women Veterans,

- and diversification of VHA services to include at-home care and telemedicine.

Sources of VA institutional problems:

Prioritizing Disability Payments over Treatment: The current VA System screens Veterans for disabilities and assigns payment benefits based on a percentage of disability. Most new claims over the past decade have been for Post-Traumatic Stress Disorder (PTSD or soft-tissue injuries. Both types of injuries are very hard to verify, but PTSD, at least, is often treatable. Yet, if the treatment is successful, a Veteran loses their disability payments. In effect, the disability payments structure penalizes Veterans financially for ceasing to be disabled. The VA also has a review system that presumes that any claim made by a Veteran is justified and is subject to very limited review. This leads to a benefits system ripe for abuse.

Internal Lack of Coordination: The VA's components don't always share information, which leads to incomplete assessments of large-scale problems. For example, Veteran suicides are treated as a mental health issue, which is a VHA responsibility. But, most Veteran suicides occur in the first year after a Veteran's discharge from active duty - before many are enrolled in the VHA Health system. Other key factors contributing to the inclination to suicide include the stresses from lack of access to education, housing, employment, and food, which are often most acute immediately after discharge from active duty. These issues

are all addressed by Veterans Benefits Administration (VBA) programs, not VHA programs. However, the VHA and VBA do not share data. The VA will be challenged to produce an authoritative, predictive model of Veteran suicides without integrating the VHA mental health profiles with the VBA's benefits usage profiles. And, without an authoritative understanding of the Veteran population likely to opt for suicide, the VA will be hard-pressed to develop optimal programs to deal with Veteran suicides.

Difficulties in Measuring Effectiveness: A key challenge for the VA seems to be the manner in which it measures its effectiveness. Some tout the VA's increasing budgets and expanding facilities as positive measures of effectiveness (MOEs). However, those are inputs, not expressions of impact. Second, in some cases, their MOEs have had the unintended effect of worsening outcomes for Veterans rather than improving them. For example, two decades ago, the VHA evaluated a doctor's effectiveness by monitoring the number of follow-up visits a patient required to have their issue resolved; the fewer the follow-up visits, the more "successful" the doctor. Accordingly, to obviate follow-up visits in cases of pain management, VHA doctors began to routinely prescribe opioids. That kept patients from immediately returning, which was scored as a successful treatment. However, it didn't address underlying their problems and produced a whole new class of opioid addicts. Inadvertently - although the practice has since been reversed –the VA's own MOEs led the VA to become a key driver of the opioid epidemic in the early 2010s.

Lack of VA Reforms: Congress passed a number of laws in past several years, attempting to address issues in the VA. However, none of them addressed the VA's broad institutional issues. In addition, two special Commissions looked at the issues. In 1956, retired U.S. Army General Omar Bradley headed a commission that looked critically at the contradictions that had crept into the VA's disability system. In 2007, Sen. Bob Dole and former HHS Secretary Donna Shalala headed the President's Commission on Care for Returning Wounded Warriors. The Dole-Shalala Commission plowed much of the same ground as the Bradley Commission. However, none of the recommendations of either Commission ever received any action.

Policy Proposals:

1. Convene a holistic, clean-sheet Congressional review of the Department of Veterans Affairs. Revisit the conclusions of the Bradley and Dole-Shalala Commissions.

2. Use whether an action improves the health outcomes of Veterans as the sole measure of effectiveness for any program or rule.

3. Ask the GAO to audit a major VHA regional facility to confirm or refute allegations that the VA's disability assessment system has been abused, unwarranted disability payments are being made, or access to medical care for qualified Veterans reduced or diminished by competition for appointments with Veterans who do not actually rate VA assistance.

4. The VA needs to better integrate its response to the Veteran suicide issue.

5. Dental health, like mental health, should be included in the VA's health system's whole health model for Veterans' care.

6. The VA should emphasize the use of the In-home care and hospice options provided for under the 2018 VA MISSION Act. Aging Veterans want to stay in their own homes as long as possible, a large body of evidence shows that it leads to better health outcomes for them, and it is much less expensive to keep a Veteran at home than pay for them in any institution.

Tab A. Highlights of the FY2023 Veterans Administration Budget

The White House's proposed FY2023 budget will raise the VA budget to more than $300 billion for the first time, increasing the VA budget by 10.5% over the FY2022 budget.

That $301.4 includes:

$161 billion (6% increase) in entitlement spending

$139 billion in discretionary funding, mostly for healthcare

$2.7 billion for homeless programs

$663 million for substance abuse prevention and treatment

$805 million for the construction of medical campuses in Portland, OR, Canandaigua, NY, and Fort Harrison, MT.

$163 million for minor construction projects at 10 sites.

$497 million for community-based suicide prevention efforts and a 988 universal telephone number for a National Suicide Prevention Lifeline

$460 million for Veteran caregivers

$410 million for Veteran homelessness programs

The VA requested over $20 million for institutional VA and community nursing home care, and another almost $16 million for non-institutional care like adult day health care, telehealth, home-based primary care, purchased skilled home care, and other services. Some of the proposed funding covers VHA's expansion of existing long-term extended care and other geriatric programs like palliative and hospice care.

The VA will fund prosthetic research specifically for women Veterans and implement a zero-tolerance policy for sexual harassment and assault at VA facilities.

The proposed funding for women's health initiatives "supports investments in comprehensive specialty medical and surgical services for women Veterans," and would "increase access to infertility counseling and assisted reproductive technology (ART) and to eliminate copayments for contraceptive coverage." (The ART provisions, including in vitro fertilization and adaption reimbursements, and copays for contraception-related health care services, will require Congressional action.)

The 2018 VA MISSION Act accounts for 53% of the increase in VHA funding, up $104 billion, since the act became law. It was enacted to modernize and expand Veterans' access to health care services within the VA direct care system and through its community care provider network.

The FY2023 VA budget proposal includes $1.8 billion, a $433 million increase over FY 2022, for VHA's Caregivers Support program. This program includes the Program of General Caregiver Support Services and the Program of Comprehensive Assistance for Family Caregivers (PCAFC).

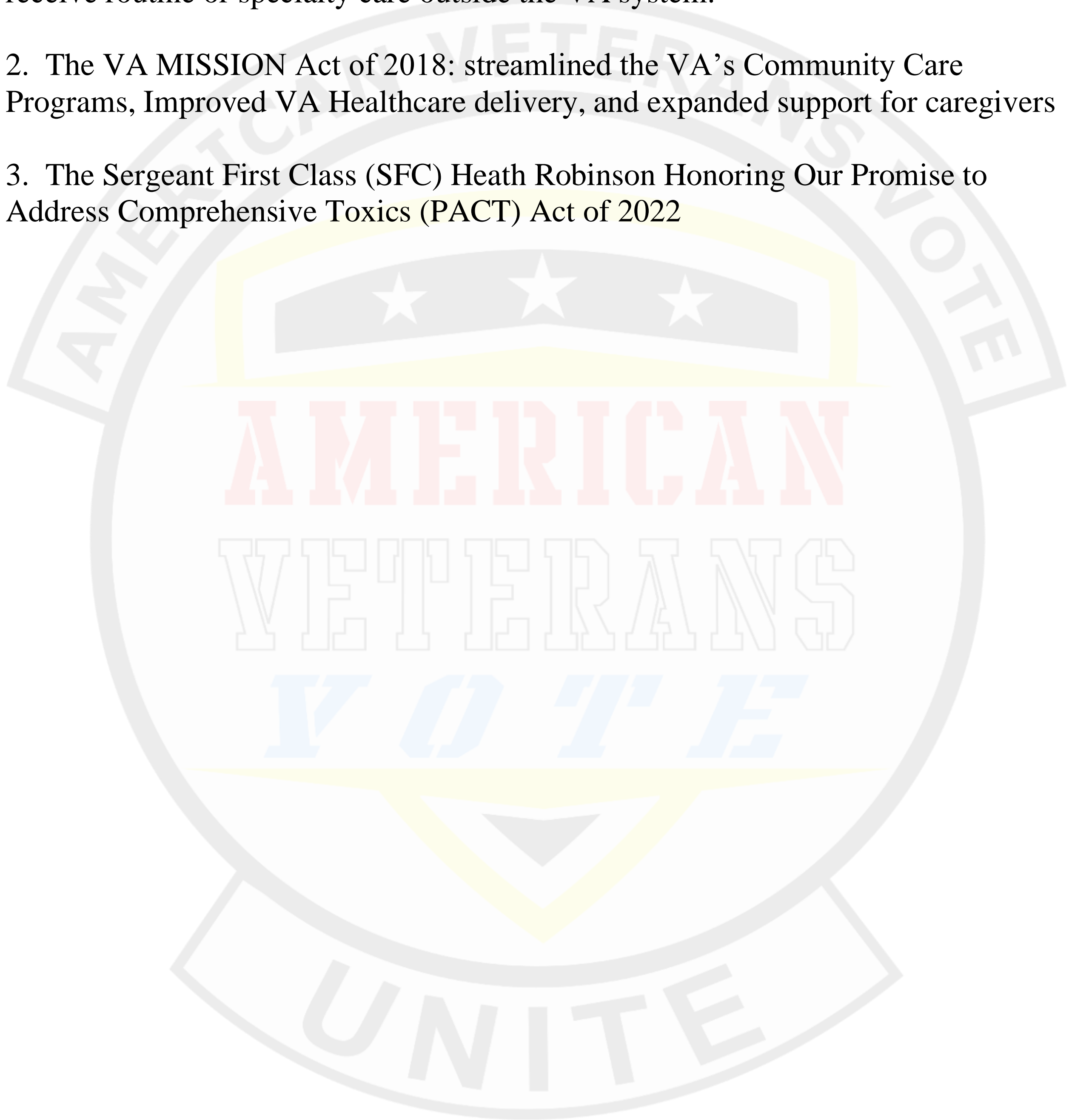
Very popular, PCAFC provides financial assistance to caregivers of seriously injured combat Veterans. However, its implementation has been fraught with problems. Long delays in implementation, high denial rates, and lack of consistency in how the VA is implementing the regulations have resulted in a number of pauses in its operations.

Tab B. Recent Significant VA Legislation

1. The Veterans' Access to Care through Choice, Accountability, and Transparency Act of 2014: relaxed rules that made it difficult for Veterans to receive routine or specialty care outside the VA system.

2. The VA MISSION Act of 2018: streamlined the VA's Community Care Programs, Improved VA Healthcare delivery, and expanded support for caregivers

3. The Sergeant First Class (SFC) Heath Robinson Honoring Our Promise to Address Comprehensive Toxics (PACT) Act of 2022



Tab C. Pending Important VA Legislation

1. S. 3017, the Veterans Dental Care Eligibility Expansion and Enhancement Act, and H.R. 914, the Dental Care for Veterans Act

2. Three key bills expanding and improving VA programs for caregivers of Veterans in need of long-term care as well as home and community-based services:

- Elizabeth Dole Home Care Act

- The Expanding Veterans' Options for Long-Term Care Act

- The Long-Term Care Veterans Choice Act.