

MEMORANDUM

FROM: Dan Caldwell, Vice President of Policy and Communications, Concerned Veterans for America TO: Interested Parties DATE: December 15, 2016 RE: Bob McDonald's Failed VA Legacy

It's been over two years since the secret wait list scandal broke at the Department of Veterans Affairs (VA) hospital in Phoenix, leading to the revelation that manipulated wait times were happening at VAs across the country. One might reasonably expect that in the aftermath of this controversy, the VA might have devoted its significant taxpayer-funded resources to fixing the problems at hand.

Under the leadership of Secretary Bob McDonald, the opposite happened. Despite an <u>increased</u> <u>VA budget</u>, problems at VA facilities from <u>coast-to-coast</u> have worsened. Wait times are still too long. Quality of care is still too low. And Secretary McDonald has spent his time and energy ignoring the problems there and misleading the American public about everything from how many employees he's fired to his own resume.

As President-Elect Trump seeks to nominate the next leader of VA, it's an important moment to step back and reflect upon Bob McDonald's failed legacy.

#1. Wait times at the VA did not improve under Secretary McDonald's watch.

Hundreds of thousands of veterans are still waiting long periods of time to see health care providers – according to the VA's own data.

Between October 2014 and today, the number of appointments that are scheduled 30 days out or more has increased by about 16 percent.

When it comes to the Phoenix VA, where the original wait list scandal broke, the situation has gotten even worse. Recent reports show that last year, <u>over 200 veterans there died waiting for care</u> – and that <u>whistleblowers are still facing retaliation</u>. To make matters worse, Secretary McDonald just appointed a controversial new director in Phoenix with a history of mismanagement and negligence.

#2. Secretary McDonald lied about serving in the Special Forces.

Secretary McDonald was caught on camera telling people that he was in the Special Forces. That was a lie, and <u>he was caught red-handed</u>.

"I have no excuse. I was not in special forces," he said in a statement, calling his lie a "misstatement."

#3. Secretary McDonald compared waiting for a VA doctor to going to Disneyland.

Demonstrating just how out of touch he really is with the veterans' community and issues at the VA, Secretary McDonald infamously said: "When you go to Disney, do they measure the number of hours you wait in line? Or what's important? What's important is, what's your satisfaction with the experience?"

Secretary McDonald has shown a steadfast commitment to denying problems at the VA exist, but <u>this comment</u> was a new level of detachment – even for him.

As Rep. Paul Ryan (R-WI) <u>pointed out</u>, veterans health care isn't make-believe. Satisfaction with an "experience" – receiving medical care – is irrelevant if veterans in need never even get to the "experience" part of the equation (the actual doctor's appointment). And health care for our nation's heroes should never be compared to waiting for a ride at Disneyland.

#4. On multiple occasions, Secretary McDonald lied about firing VA employees for manipulating wait times.

Secretary McDonald has made a habit out of deceiving the American public about his action (or inaction) when it comes to firing VA employees who fail to provide adequate care for veterans.

In 2015, he claimed that he'd fired nine hundred people at the VA, 60 specifically for manipulating wait times. The *Washington Post* awarded this "wildly inflated" and "incorrect" claim <u>4 Pinocchios</u>. Turns out half of the nine hundred fired people he was referring to were terminations of probationary employees who had been at the VA for less than a year, and many others simply received letters about their wrongdoings. And as for the 60 he supposedly fired for manipulating wait times? As of two days before McDonald made this claim, only 8 employees had been fired for that cause.

But the lying didn't end there. Secretary McDonald earned himself <u>another 4 Pinocchios</u> from the *Washington Post* later in the year when he upped his claim that 60 people had been fired for manipulating wait times to 300. The *Post* concluded that "300" was an arbitrary figure unrelated to wait times and called the discrepancy "disturbing," "false," and "misleading."

#5. Under Secretary McDonald's watch, the VA used a secret internal rating system intentionally kept from the public.

As millions of veterans have struggled to receive care from the VA, the VA has been notoriously secretive and misleading about just how bad the situation is. This was again confirmed in 2016 when *USA Today* <u>published</u> the VA's internal rating system that the Department had been using

for years and intentionally kept out of the hands of the public.

Instead of apologizing, Secretary McDonald's VA actually doubled down on the lack of transparency. "My concern is that veterans are going to see that their hospital is a 'one' in our star system, assume that's bad quality and veterans that need care are not going to get care," said VA Undersecretary for Health David Shulkin.

He also admitted that it was nearly impossible for veterans to access the data on their own. "The data's there, but you'd have to be an expert to get through it," he conceded.

#6. Despite the VA's continued poor performance and ongoing scandals, bonuses for VA employees have increased under Secretary McDonald.

In 2015, Secretary McDonald awarded the VA \$144 million in bonuses. This year, <u>he awarded</u> the VA \$177 million. Over half of the agency received a bonus, and senior VA executives received an average of \$10,000 each.

Among officials receiving bonuses: the former chief of staff at the ever-failing Phoenix VA and the executive director of VA's Office of Construction who oversaw the Denver VA hospital construction fiasco.

#7. Despite promises to the contrary, the VA has not eliminated the disability claims backlog under Secretary McDonald.

In 2013, the VA had promised to eliminate the disability claims back log by the end of 2015. However, at the end of 2015 over 70,000 disability claims remained backlogged with in the Veterans Benefits Administration.

That backlog remains at around 92,000 today.

Facts are facts. It's clear that Secretary McDonald's tenure at the VA has been mired in lies and incompetence. That's why national leaders and veteran advocates like <u>Sen. Joni Ernst (R-IA)</u>, <u>Sen. Roy Blunt (R-MS)</u>, and <u>Sen. Ted Cruz (R-TX)</u>, have called for his resignation.

American veterans don't need more of the dysfunctional status quo. Concerned Veterans for America has fought for – and will continue fighting for – three important reform priorities:

Choice. Veterans deserve a choice over where and when to see a doctor. The Caring for Our Heroes in the 21st Century Act—draft legislation authored by U.S. Rep. Cathy McMorris Rodgers (R-WA)—seeks to go to the root of VA problems by allowing the VHA to be run like a high-performance health care organization, rather than as a government bureaucracy. This would improve both accountability and access, while allowing the system to right-size itself, which is projected to save money over the long term. Importantly, it would allow veterans increased choice in both private health care and VA providers.

Accountability. Strong reform measures are needed to hold the VA accountable in ways Secretary McDonald won't. The Veterans First Accountability and Appeals Modernization Act – which passed the House with strong bipartisan support this year – would make it easier to fire bad VA employees at the senior level, protect whistleblowers who speak up, and would eliminate the backlog for disability claims. This bill would bring comprehensive accountability to the VA.

Transparency. The VA has a long track record of stonewalling Congressional oversight committees and not providing timely and accurate data. As a result, Congress, the media, and veterans' groups get an incomplete picture of the Department's effectiveness. Congress must push for more frequent and robust VA reporting requirements, but more importantly, the next VA Secretary must prioritize transparency.

It is of utmost importance that we honor the sacrifices of those who served, and take care of our brothers and sisters in uniform. And that starts at home, with the VA.

We are optimistic that President-Elect Trump will nominate a strong, tenacious leader with the willingness to face the truth, work to serve our veterans better, end the toxic culture at the VA once and for all. Secretary Bob McDonald does not meet any of these requirements.

Dan Caldwell VP of Policy and Communications Concerned Veterans for America