

### MEMORANDUM

### FROM: Mark Lucas, Executive Director and Dan Caldwell, Director of Policy TO: Interested Parties DATE: January 19, 2017 RE: CVA 2017 VA Reform Priorities

The Department of Veterans Affairs (VA) has been failing veterans for far too long. Many veterans face inconsistent quality of care, wait times and backlogs are too high, and the VA <u>fails</u> to disclose information that should be readily available to the public. <u>Conditions did not improve</u> <u>under Secretary Bob McDonald</u>, an appointee of President Barack Obama whose leadership yielded regular reports of waste, fraud, and abuse within the agency.

President-Elect Trump's <u>appointment of Dr. David Shulkin</u> to VA Secretary means that there is now an opportunity to begin to truly reform the VA – if Dr. Shulkin chooses to usher in a new era of accountability in his elevated leadership position. Still, the impetus is on Congress to pass meaningful reform legislation that will fix this broken agency once and for all.

Below are CVA's VA reform priorities for 2017:

# **1.** Pass the VA Accountability Act or the VA Accountability First and Appeals Modernization Act.

It is nearly impossible to fire a bad VA employee, despite almost daily reports of misconduct within the agency. Even worse, employees being investigated for bad behavior often remain on the VA payroll for months or even years – wasting taxpayer dollars while continuing to put veterans at risk. Case in point: it took over 700 days to fire those responsible for the 2014 wait list scandal in Phoenix.

In 2017, Congress must pass meaningful accountability legislation that will help end the toxic culture at the VA. There are two bipartisan pieces of legislation, both of which passed out of the House of Representatives in 2015 and 2016, that Congress should re-introduce:

- 1. The VA Accountability Act would allow the VA Secretary to immediately remove any VA employee found to be incompetent and protect whistleblowers by making it easier to fire managers who retaliate against them ultimately saving taxpayers \$150 million, according to the Congressional Budget Office (CBO).
- 2. The VA Accountability First and Appeals Modernization Act would implement similar

accountability measures while also limiting bonuses for senior VA officials. The VA is notorious for awarding itself bonuses despite poor performance. In 2014, the year the VA wait list scandal began, the VA paid out \$144 million in bonuses; in 2015, that number spiked to \$177 million.

This year, CVA will push Congress to make strengthening accountability at the VA a top priority.

### 2. Empower veterans with choice over where and when to see their doctor.

As of today, veterans do not have real choice over where and when to see a doctor. They are often stuck in a failing system that frequently forces them to wait months for appointments. Even once they get in, there is no guarantee that the quality of care they receive will be adequate.

The Choice Card program, which was intended to be a temporary measure passed in response to the Phoenix VA scandal in 2014, is imperfect, was implemented poorly, and – contrary to its name – does not offer real choice. The "40 mile, 30 day" policy that came with the Choice program means that in order to access care outside the VA, a veteran must live over 40 miles away from their closest facility or be unable to book an appointment within 30 days.

Veterans, who chose to serve, deserve to choose their doctor – especially when the VA is failing them. There are several steps Congress should take in 2017 to move towards real choice for veterans' health care.

First, Congress must introduce legislation that would create a government-chartered non-profit to oversee veterans' health care benefits, as recommended in CVA's *Fixing Veterans Health Care Task Force*. This would ensure that the VA is still the guarantor of care, while also empowering each veteran with the ability to access care outside of the VA. Many government health care programs are already operating in a similar fashion, such as TRICARE. The Caring for Our Heroes in the 21<sup>st</sup> Century Act, <u>draft legislation</u> published by Rep. Cathy McMorris Rodgers (R-WA) in 2016, would achieve this vision.

Second, Congress must take care in the reauthorization of the Choice program when it expires later this year. Congress should continue the Choice program's secondary payer policy as currently written since it is a key cost containment measure which is essential to the health of the program. Additionally, if Congress removes or modifies any of the criteria for utilizing the Choice Card, they should ensure that additional costs are controlled within the VA's budget by implementing offsets driven by changes in demand between the Choice program and the VA's existing medical system. While CVA has concerns about how the Choice Card was implemented, we still believe that the Choice Card is a necessary *temporary* program because other meaningful reforms which will expand choice for veterans, like the Caring for Our Heroes in the 21<sup>st</sup> Century Act, will likely take several years to fully implement.

CVA will work towards the introduction of legislation like the Caring for Our Heroes in the 21<sup>st</sup> Century Act and will ensure the Choice Card is reauthorized in a responsible manner.

## 3. Ensure better data collection and increased transparency at the VA.

The VA is still lacking in transparency in regards to their performance and use of taxpayer dollars. Often, this secrecy is an attempt to hide information that would reveal how bad the situation at the VA really is.

For example, <u>USA Today</u> recently published an internal rating system the VA was using to rank each of its facilities on a one-to-five-star scale. This was information the VA had tried to keep secret for years out of concern that veterans would find out that they receive care from a one-star facility. This is a valid concern: nearly 50 facilities nationwide ranked "one" or "two" stars, including the scandal-plagued Phoenix VA Medical Center.

Not only do American taxpayers deserve to know how their money is being spent, but American veterans deserve information about their own health care.

In 2017, CVA will push Congress and the VA's new leadership to implement better data collection and reporting, including but not limited to patient utilization levels and service costs compared to the private sector.

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For years, Concerned Veterans for America (CVA) has been at the forefront of the fight for VA choice, accountability, and transparency. We haven't hesitated to hold elected officials accountable and stand up for what's right for veterans – and we will continue to do so in with the new Congress and the new administration. We will also seek to partner with incoming VA Secretary David Shulkin to advance the meaningful reforms outlined above whenever possible.

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