



CONCERNED
VETERANS
FOR AMERICA

MEMORANDUM

FROM: Dan Caldwell, Policy Director, Concerned Veterans for America

TO: Interested Parties

DATE: July 18th, 2017

RE: Permanent VA Choice Legislation and Proposals

In 2014, in response to the Department of Veterans Affairs (VA) wait list scandal, Congress created the Veterans Choice Program (VCP) as a temporary program to offer veterans the option to access private sector health care with their VA benefits if they live long distances from VA facilities or face long waits for care. The creation of the VCP was an important first step towards giving veterans who use the VA the ability to choose to access private sector providers through the VA if timely and convenient health care was not available to them.

Unfortunately, [the VCP was poorly implemented](#) and, as currently structured, offers veterans at the VA limited health care choice. Although the VCP was recently reauthorized, the program [is now facing an unanticipated budget shortfall](#) that will result in the program running out of money by August 7th of this year. **While Congress must quickly move forward on a temporary fix for the VCP budget shortfall, the choice program must ultimately be overhauled, expanded, and permanently reformed.** Accordingly, VA Secretary Shulkin has asked Congress to pass legislation creating a new VA choice and community care program for the VA by end of the current fiscal year.

There are already several proposals to reform VA health care along with the current Veteran Choice Program and other contracted private care programs within the VA. In 2015, Concerned Veterans for America (CVA) released its bipartisan [Fixing Veterans Health Care Task Force](#) report, which proposed restructuring Veterans Health Administration (VHA) facilities into a government-chartered nonprofit corporation and creating a veterans health insurance program to offer veterans the ability to access care in the private sector. In June, Secretary Shulkin unveiled part of the VA's CARE (Coordinated Access and Rewarding Experiences) program, which is intended to offer all veterans who use the VA some ability to access private sector care and which would consolidate the VA's existing community care programs. Lawmakers on the House and Senate VA committees are also beginning to craft and circulate draft proposals for reforming the VA's choice and community care programs.

CVA has long supported giving veterans more health care choice through the VA, and will be closely monitoring these legislative proposals. To ensure that future choice and community care programs are improving the delivery of health care to our veterans, the following elements should be included in any legitimate legislation as it moves forward:

1. **Real health care choice that empowers veterans at the VA.** Any legislation that replaces the current choice program and consolidates VA community care should clearly give veterans who use the VA an opportunity to elect to receive care in the community. Giving veterans more health care choice will incentivize VHA facilities to become higher-performing health care providers through competition and will give veterans other options if existing VHA facilities are not meeting their needs. Additionally, polling conducted by the [Tarrance Group](#) and by [Gallup](#) shows that nearly 90 percent of both veterans

and non-veterans support giving veterans at the VA more health care choice.

The VA's CARE proposal and Sen. Isakson's draft *Veteran Choice Act of 2017* are both a step in the right direction in terms of offering veterans more choice at the VA. However, both proposals can be strengthened to ensure that veterans are not wrongly denied access to care in the community by VA employees. On the other hand, the [Veterans Health Administration Reform Act of 2017 \(S. 1279\)](#) is a step in the wrong direction and would eliminate what little choice exists currently within the VHA and would simply consolidate the VA's existing contracted community care programs. Legislation like this would only serve to strengthen the status quo within the VA and would not empower veterans with more control over their health care.

2. **Effective cost controls.** Recent budget shortfalls within the VCP demonstrate the need for effective cost controls within the VA's community care programs. Specifically, the VA should be the secondary payor for non-service connected care outside of VHA facilities if a qualified veteran has other health insurance. Changing the VA permanently to a primary payor will potentially increase up-front costs by billions of dollars and lead to future budgetary problems. There are legitimate reimbursement issues that are causing veterans to receive unnecessary bills from community providers but switching to primary payor is not the way to solve this problem. Other programs - like TRICARE – have demonstrated that there are better ways of reimbursing providers without switching to primary payor. Accordingly, Congress should not permanently make the VA a primary payor for non-service connected community care and should instead look at revamping the VA's reimbursement system, as was proposed in the VA's CARE plan.

Additionally, existing co-pays and other cost-shares within the current VA health care system should also be standardized in future community care and choice program in a similar fashion to TRICARE Prime.

Finally, proposals like those offered by Senator Tester to implement dollar-for-dollar increases in the budget for the VA's existing provider network for every increase in the community care budget should be rejected. The massive increases in the budget for the VA's provider network under President Obama demonstrated that simply dumping more money into the existing system will not improve access or quality of care.

3. **Innovative pilot programs.** The veteran population will be rapidly changing over the next decade. By 2030, there will be between 4 to 5 million fewer veterans and the VA's patient population will be more dispersed and have much different health care needs. With that considered, the VA should be continually testing new ways of delivering health care to our veterans and should also be testing new governance structures for the VHA that would better enable the VA to respond to changes in the veteran population. Congress should therefore authorize the pilot programs that are proposed in the VA's CARE program.
4. **Increased transparency around costs and quality of VA care.** In the last six months under Secretary Shulkin, the VA has already made great strides in increasing transparency by releasing more information on wait times and quality of care within the VHA. Congress should ensure that in any VA choice overhaul legislation that the VA will continue to release more information about the quality of its care, wait times, and health care costs and that the data being provided to the public is accurate. This will further empower veterans to make better health care choices with their VA benefits and increase accountability for the VA.

CVA will be working with Congress to ensure that these four elements are included within any future VA choice and community care reform legislation. Considering that many veterans are still waiting months for critical care and have no option to receive care in the community, it is critical that Congress produces legislation that not only streamlines existing contracted care programs, but which puts the veteran at the center at the VA by empowering them with more choice.