

REALIGNING THE VA'S ASSETS & INFRASTRUCTURE



OUR VIEW

The Asset and Infrastructure Review (AIR) Commission created by the VA MISSION Act is key to improving quality and access to care for veterans. We believe the solution to the VA's infrastructure needs is more nuanced than simply more dollars and more buildings. It requires innovation, flexibility, strategic use of community care, and capitalizing on where the VA has clear expertise.

BACKGROUND

The VA MISSION Act included a recommendation to create an independent commission charged with realigning VA's infrastructure to meet the changing needs and demographics of the veteran population. This concept has received bipartisan support by VA Secretaries across the Bush, Obama, and Trump Administrations.

The AIR Commission process will kick off in earnest in 2021 with the Senate confirmation of commissioners and publication of the evaluation criteria. Realigning how and where the VA allocates resources is key to modernizing health care for today's and future generations of veterans.

THE NEED FOR REFORM

Significant Infrastructure Challenges

- **Unused Infrastructure:** The VA owns and operates over 6,000 buildings. It leases over 1,500 buildings. In 2017, over 1,000 of those VA-owned structures were empty or underutilized, costing millions annually to maintain.
- **Aging Facilities:** The average building is over 50 years old and five times older than comparable private sector health care facilities in the U.S. Most VA buildings are rated on average with a "C-," meaning they are at the end of their life.
- **Rising Costs:** The VA has identified \$51 billion in capital needs over the next 10 years, leading to the need for an additional \$25–35 billion if funding levels remain constant.² If asset realignment is implemented, the cost of the VA's capital needs could be reduced by \$12–17 billion, narrowing the unfunded gap.

Changing Veteran Demographics

- **Population Changes:** VA estimates project within the next 25 years the veteran population will decrease by nearly 40 percent.³
- **Geographic Shifts:** Analysis by the American Enterprise Institute found by 2045 states that may have traditionally had the highest veteran populations will see their veteran populations significantly decrease as veterans move south and west. For example, New York is projected to see a 60% decrease in their veteran population over the next 25 years.⁴

Innovative Health Care Delivery Models

- **Greater Outpatient Focus:** Innovation through technology, less invasive surgeries, and telemedicine has decreased the need for inpatient care. Workload reports find inpatient bed days of care have declined by 10% while outpatient clinic workload has increased by 40%.⁵ With a greater focus on outcome-based medicine in the private sector, this is a trend that will only continue. Large hospitals with a significant number of inpatient beds are no longer needed to deliver quality care.
- **New VA Models:** A potential model for the future of VA care could be found in alternative models like the new "Super CBOC" expected to open in Lubbock, Texas in 2021. This facility will replace a small VA clinic that frequently failed to deliver the care veterans needed. The new facility will focus on treating conditions like PTSD, TBI, and mental health services while partnering with the medical facilities at Texas Tech located across the street from the facility to fill in gaps for other specialized care.⁶ This partnership will reduce the need for expensive and duplicative medical equipment while still meeting veterans' needs.
- **More Community Care Options:** The new Veterans Community Care Program created by the VA MISSION Act grants veterans more health care options in their local communities. Access to the network of over a million health care providers outside the VA has led to an overall increase in access to care for veterans enrolled in VA health care.⁷

RECOMMENDATIONS FOR POLICYMAKERS

The AIR Commission is a multi-year effort to improve access and deliver the highest quality care to our veterans. It is imperative the VA utilize all the tools it was given under the VA MISSION Act to modernize health care delivery by examining market assessments, veteran population trends, and ultimately where to invest and deinvest resources. Congress should:

1. Support the Senate confirmation of commissioners. The White House is required by law to submit nominations to the Senate for confirmations before May 31, 2021. Confirming qualified individuals in a timely manner is key to the commission's success.
2. Oppose any efforts to roll back the AIR Commission currently in law. The AIR process has received broad bipartisan support from lawmakers and every major VSO. A total of 38 veterans organizations signed a letter of support for the VA MISSION Act in 2018. They stated in their letter the process would "ensure the final result leads to a stronger and better aligned VA infrastructure able to deliver care to veterans when and where they need it."⁸
3. Ensure the VA has the tools needed to make the AIR Commission and its recommendations successful. As the AIR Commission process begins, Congress should ensure the VA has the necessary legal authorities to successfully realign facilities. The Commission on Care provided several recommendations such as allowing the VA to retain proceeds of any property sales and creating a streamlined process to address historic preservation considerations.⁹

TIMELINE AND INFLECTION POINTS

February 1, 2021

- Deadline for the VA to publish in the Federal Register and transmit to Congress its criteria proposed to be used in making recommendations. Public will have a 90-day comment period.

May 31, 2021

- Deadline for the President to submit commission nominations to the Senate.

May 31, 2021

- Deadline for finalizing criteria.

January 31, 2022

- VA report to Committees, Commission, and Federal Register detailing recommendations for action.

January 31, 2023

- President receives the commission's report including analysis by the VA. Commission makes information used for report available to Congress.

February 15, 2023

- Deadline for the President to approve or disapprove.

March 1, 2023

- If the President disapproves, transmits reasons to Commission.

March 15, 2023

- If the President disapproves, the Commission may submit revisions to the President.

March 30, 2023

- If the President disapproves, the realignment process is terminated.

Three Years later...

- If the President approves or revises, the VA has three years to begin implementing recommendations unless Congress passes a joint resolution of disapproval.

SOURCES

1. Government Accountability Office, "Realignment May Benefit from Adopting Elements of Defense Base Realignment and Closure process, Provided Process Challenges are Addressed," October 12, 2017, <https://www.gao.gov/assets/690/687700.pdf>.
2. Independent Assessment of the Health Care Delivery Systems and Management Processes of the Department of Veterans Affairs, Assessment K (Facilities), September 1, 2015, pg v, https://www.va.gov/opa/choiceact/documents/assessments/Assessment_K_Facilities.pdf.
3. National Center for Veterans Analysis and Statistics, May 3, 2019, https://www.va.gov/vetdata/docs/Demographics/VetPop_Infographic_2019.pdf.
4. Rebecca Burgess, "Mapping veterans, Not who you think, not where you think," November 22, 2019, <https://www.aei.org/mapping-veterans-not-who-you-think-not-where-you-think/>.
5. "Independent Assessment of the Health Care Delivery Systems and Management Processes of the Department of Veterans Affairs, Assessment K (Facilities)," September 1, 2015, pg vi, https://www.va.gov/opa/choiceact/documents/assessments/Assessment_K_Facilities.pdf.
6. Matt Dotray, "Construction Underway on Lubbock's New VA Clinic," Lubbock Avalanche-Journal, April 25, 2019, <https://www.lubbockonline.com/news/20190424/construction-underway-on-lubbocks-new-va-clinic>.
7. Testimony before the Senate Veterans Affairs Committee by Triwest and OptumServe, October 21, 2020, <https://www.veterans.senate.gov/hearings/va-mission-act-assessing>.
8. VSO Letter of Support for VA MISSION Act, May 7, 2018, <https://www.veterans.senate.gov/download/joint-vso-letter-supporting-va-mission-act>.
9. "Commission on Care Final Report," June 30, 2016, https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care_Final-Report_063016_FOR-WEB.pdf.