Veterans Healthcare Policy Institute

Strengthening Care for Veterans and the Nation

AIR MYTHS AND FACTS

MYTH AIR Will Be Both Opening and Closing New Facilities, Limiting the Impact on Care

VA facilities can take more than a decade to be built. It is far easier to close facilities than open new ones, and the VA's recommendations to the AIR commission contain no timelines on either front.

VA Secretary Denis McDonough has pledged that new facilities will open to replace the aging facilities that they plan to close. But nowhere in the report do they offer a proposed schedule to ensure that there is not a reduction in overall capacity at the VA. Building new VA facilities will likely be very difficult. The VA itself notes that just 9 new VA facilities have been built since 2010. In Louisville, despite the project being championed by Senate Majority Leader Mitch McConnell, it has taken 15 years for a new facility to just break ground in November.[1] Taxpayers dollars would clearly be far better spent on in-house improvements to existing facilities and careful analysis that determines when and where entirely new facilities should be built.

The AIR report provides no timeline whatsoever for either openings or closures. **Although the Secretary has promised not to close any facilities before new ones are built, this is not mandated in the MISSION Act and his promises can be reversed by his own or any subsequent administration over the next decades.**

The Secretary's proposals have already unleashed serious concerns in the VHA workforce. facilities targeted for closure and that it will be difficult to recruit new hires in those facilities. It should be obvious that opening a new facility is a fundamentally more onerous process than maintaining existing services, but the AIR report treats it as functionally the same issue.

FACT The VA's Closure and Service Reduction Recommendations Are Not Credible

The data—known as "Market Assessments"––used by the VA to justify devastating closures are based on slipshod data or no data at all, a fact found by the Government Accountability Office (GAO) and conceded by VA Secretary McDonough.

The VA used complex "Market Assessments"to justify their case for closures of VA services. As an example, take a glance at the VA's market assessment for Montana, where Secretary McDonough is proposing the closure of four clinics and the emergency room at Fort Harrison VAMC.

In the market assessment, the VA says that "demand for inpatient mental health services is projected to increase by 21.9% between FY 2019 and FY 2029," yet then goes to argue for the closure of the emergency department to an urgent care center.

Why? Because, "Currently, most emergency department visits occur on weekdays during the hours of 8:00 am and 10:00 pm, and most are low-to-moderate complexity." The" report also says that "Utilizing convenient community access points to provide emergency department services and rescoping services to provide urgent care will allow the Fort Harrison VAMC to align with the appropriate level of care needed to treat Veterans." Although the recommendations never actually define "community access point," the message is clear: the VA will be sending veterans to private sector emergency rooms even though a recently published rigorous scientific study documents veterans are 20% more likely to die in a private sector ERs.

The Secretary's recommendations also neglect the fact that shutting down VHA emergency departments will have a serious impact on veterans who do have serious problems. Most emergencies in Montana—and elsewhere – may occur between 8 am and 10 pm and may not be life threatening. But some vets may get sick in the wee hours of the morning and more than a few may have life- threatening mental and physical problems—like heart attacks or suicidal thoughts, which is why they need ERs that are open 24/7 seven days a week. That the VA has ignored critical issues was made crystal clear in a February GAO report that "found that VA's approach to the market assessments did not include steps to collect information on the quality of VA data compiled from numerous VA data sources or other steps to understand any relevant data limitations."

The market assessments are integral to the AIR's closure and service reduction recommendations. All of the recommendations for closures are based on these market assessments. In the case of Montana and every other the VA simply did not do its homework, a fact that . VA Secretary McDonough acknowledged in a March 10 discussion of his proposal sponsored by the RAND Corporation. He stated that the data VA used to ground its recommendations was "too old" and ignored the impact of the Covid-19 pandemic.

MYTH The AIR Cuts Are Necessary To "Modernize" or "Evolve" The VA

"Evolution" or "Modernization" Means Just One Thing: Privatization.

Secretary McDonough has said that "All across the board with these recommendations, we're embracing the idea that health care has evolved, so VA evolves with it, and in fact leads the evolution. What this "evolution" will evolve into is the destruction of the VA as a comprehensive, integrated system that addresses the specific health care needs of veterans and serves the broader community through its research, teaching and Fourth Mission. This is why there the Secretary's proposals put such an emphasis on closing emergency rooms and replacing them with urgent care clinics, proposing ideas like "hospital within a hospital", (ie. VHA staff embedded in private sector facilities) and "public private partnership," another term for private sector care. The ultimate goal is the privatization of the VA so that it becomes aseamless vehicle for private profiteering."

Secretary McDonough may deny that this is the intent of his proposals. But the folks who benefit from it, like the hospital industry know precisely what "strategic partnerships," means. This is why the American Hospital Association celebrated the passage of the VA Mission Act in 2018 with the following: "The AHA believes a

strong partnership between America's hospitals and health systems and the VA is essential to ensure our nation's veterans receive the health care they need and deserve." The AHA has fought aggressively against any measures to reduce the cost of care, including surprise medical billing legislation. Their praise of the VA Mission Act is about inflating the cost of care so that private hospitals can profit. Scores of other for-profit healthcare companies have begun lobbying on veterans' issues in hopes of making a quick buck. In fact, donations from health-care interests to the House and Senate Veterans' Committee members had more than doubled in recent years.[2]

Lobbying disclosures from the largest for profit hospital corporation, HCA Healthcare, also underscore potentially serious issues with the AIR process. In 2021, HCA lobbied the VA on "Issues related to development of medical facility in Denver." HCA owns and operates the 422-bed Rose Medical Center. Instead of proposing the development of a new multi-specialty community based outpatient clinic (MS CBOC) in Denver, the VA is instead not proposing any increase in services in the city of Denver proper where there is currently only a CBOC that is temporarily closed. The VA estimates that demand for primary care services in the Denver market will increase 81.2% by 2029. While it is indisputable that Castle Rock, where the MS CBOC is currently proposed for development, could benefit from an MS CBOC, the city of Denver's lack of expanded services likely reflects the success of HCA's lobbying. (Aurora, CO does have a new VAMC.)

FACT The AIR Recommendations Could Lead to Exponentially Higher Costs for Worse Care

The VA's Market Assessments are irreparably harmed by poor or nonexistent data. Publicly available research shows that the VA's integrated system results in better outcomes for vets at lower cost.

The February GAO report found that the VA did not do any cost analysis of VA care versus non-VA care, saying that "The lack of such data hinders VA's ability to consider cost in determining whether to rely on community care providers in meeting the healthcare needs of veterans." Meanwhile, a February report from Stanford[3] found that veterans who were transported by ambulance for emergency treatment at VA hospitals had survival rates at least 20% higher than at traditional hospitals, with the difference even more significant for Black and Latino vets. Why did VA leaders fail to do a serious cost analysis? The VA is cheaper than the private sector. A 2021 study from the National Bureau of Economic Research found that VA care is 21% cheaper than the private sector while providing better outcomes.

Endnotes

1 "Construction begins on Louisville's new VA Medical Center after years of delays." Lawrence Smith, WDRB. November 11, 2021.

2 "The VA Is Socialism in Action. We Must Defend It From Privatization." Jasper Craven, *The Nation. March 16, 2019.*

3 "Veterans Rushed to VA Hospitals Have Significantly Better Outcomes." Beth Duff-Brown, Stanford Freeman Spogli Institute. February 16, 2022.