

A VA exit strategy

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As the federal government plans its exit strategy from the war, now may be the time for it to rethink its role in providing health care to veterans, says a Perspective piece in the *New England Journal of Medicine*.

"To simply go on doing more of the same is to fail to recognize the challenge that the Veterans Health Administration's cost and population structure pose in the longer run," said William Weeks, from The Dartmouth Institute for Health Policy & Clinical Practice, and David Auerbach, from the RAND Corporation, in the August issue of *NEJM*.

The VA incurs high fixed costs of a brick-and-mortar [health care](#) system, the largest salaried workforce in the [federal government](#), and a large administration. To sustain this system, the VA has pursued a strategy of increasing enrollment among [veterans](#) – about two-thirds of enrollees use VA services – which has led to calls for expanding and building more facilities.

But this growth in enrollment is unlikely to continue because the veteran population is rapidly decreasing, the authors said. In addition, the vast majority of veterans already has access to other health insurance and are not very reliant on the VA system, even before the Affordable Care Act was implemented.

"The bigger and more important question is whether the United States really needs a separate, increasingly expensive, brick-and-mortar health care system for a relatively small and rapidly shrinking population," the authors said.

The authors said a more foundational question would be whether veterans and taxpayers might be better served with true reform, reform that might be accomplished if the VA transitioned out of the hospital business, while perhaps continuing to provide services for which it has special expertise, such as mental health or rehabilitation services.

Funds saved through this transition could be used to help defray veterans' out-of-pocket costs of private-sector health care by subsidizing their premiums, deductibles and co-payments. Such reform could save taxpayers money, save veterans money, improve veterans' access to care, and improve their outcomes from that care.

Pilot tests should be conducted before any sweeping reform takes place on a national level, the authors said. But the recent VA scandal offers an opportunity to more fundamentally reconsider the VA's long-term role in ensuring that veterans have access to affordable, high quality healthcare.

More information: To view the Perspective in the *New England Journal of Medicine*, please go to www.nejm.org/doi/full/10.1056/NEJMp1407535

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