

Testimony Of Betsy McCaughey
Chairman of the Committee to Reduce Infection Deaths
Before the House Committee on Veterans' Affairs
On "An Examination of Bureaucratic Barriers to Care for Veterans"
June 12, 2014

PUBLIC EMPLOYEE UNIONS WILL SABOTAGE VETS SEEKING CIVILIAN CARE

Chairman Miller, Ranking Member Michaud, and members of the Committee, thank you for inviting me to testify before you today. My name is Betsy McCaughey, Ph.D. I am a former Lt. Governor of New York State, a patient advocate, and Chairman of the Committee to Reduce Infection Deaths.

I have concerns that even the recently passed legislation will not save the lives of vets currently stuck on wait lists for care.

The unions that dominate the VA run it as a jobs program for the benefit of their own members, not vets. The union contracts are filled with mind-numbing rules that prevent workers from being given a new task, moved to a new shift, or disciplined for shoddy work or dishonesty. The VA is run for workers, not patients.

The biggest culprit is the American Federation of Government Employees, or AFGE. The union wants more patients, bigger VA budgets, and more staff, never mind what ailing vets need.

Nine months ago, the VA rolled out a \$9.3 billion program to refer vets needing specialists to civilian medical centers, if the wait at their local VA facility is too long or they live too far away. That is exactly the same thing the Sanders/McCain bill purports to do. AFGE fought the program from day 1, even accusing VA executives of deliberately causing the backlog. "Create a Crisis and then outsource the work," the union's newsletter, *The Worker*, states.

Vets have been discouraged from accessing civilian care even when they've desperately needed it and have insurance to pay for it. Here's the reason: The VA's healthcare budget is based on how many vets enroll and how much care they use. For unions, the bigger the budget the better. Even if it means letting vets with Medicare who could get timely civilian treatment for their cancer or heart disease die in a VA wait line instead.

AFGE President J. David Cox insists the only remedy for the VA's wait lists is more VA staff. "Chronic understaffing" is the problem, he says. How can he know? VA hospitals have no clue how many staff they have or need. A 2012 audit by the VA Inspector General found that the agency's hospitals lacked any method for calculating staffing needs, in part because of resistance to measuring worker productivity.

Shockingly, one million vets who seek care at the VA are covered by Medicare Advantage, the private plans the federal government purchases for seniors. Astoundingly, the VA spends 10 percent of its medical care budget treating seniors who have Medicare Advantage. Yet the federal government also pays over \$3 billion a year to Medicare Advantage insurers to cover the same people. Paying for the same care twice. What a waste. But as long as the unions dominate the VA, these inefficiencies and corruption will not be fixed.

Even with legislatively directed non-VA care, mischief will continue. They are discouraging vets from actually accessing care outside of the VA system. And here are the roadblocks sabotaging vets getting outside care:

The veteran needing care must receive a letter from the Secretary confirming that an appointment at the VA is not available. Good luck getting that letter. We know about Vets who have called and emailed their VA hospital daily for six months without getting any response at all.

The civilian doctor must telephone a VA hotline to get prior permission before providing care. Good luck to the Doctor trying to get the VA on the line in a timely manner.

Should the Sanders/McCain "Choice Card" come to fruition, after setting up all these new procedures, the choice card program will expire in two years -- probably only a few hours after the VA finally gets the hotline set up and issues the cards.

And the House version, H.R. 4810, passed unanimously Tuesday, still relies on the VA to spell out what Veterans really need. The bill stipulates that veterans will be covered for outside care "including all specialty and ancillary services deemed necessary as part of the treatment recommended ..." Necessary according to whom? Recommended by whom?

In short, VA staff cannot be trusted to deal honestly with vets needing care. The VA's own internal investigation revealed on Monday that 76% of VA facilities doctored appointments or kept dummy books.

Remedies:

There is a better way to solve this problem. Let's put the Vets themselves in the driver's seat. There are two age groups of veterans we're concerned about: seniors and those under 65.

Almost half of Vets (45%) enrolled in the VA health care system are 65 or older. Virtually all of them are on Medicare, according to RAND researchers. Encouraging vets on Medicare to use civilian care instead of the VA could cut the VA's patient backlog by as much as half, solving a national crisis.

Most VA hospitals have links to nearby teaching hospitals where older vets can get cardiovascular and cancer surgery with better survival rates than at most VA hospitals. These civilian hospitals, which perform higher volumes of these age-related procedures, have better outcomes. Sadly, the VA fails to tell seniors that.

And the long waits in the VA system increase the risk of needless death. Boston VA researchers found patients aged 70 to 74 who wait more than 31 days for treatment face a 9 percent increased risk of stroke.

Low-income senior veterans are most likely to stick with the VA. One reason is that out-of-pocket costs are lower there than with Medicare. But that can be rectified easily, as RAND researchers recommend.

Vets could be issued a special Medicare card that eliminates the Part B premium and reduces Part B copays and deductibles to the small fees the VA charges (\$15 for a primary care visit, \$9 for 30 days of medications, \$50 for specialist visits.) This would be budget-neutral because either way federal tax dollars are picking up the excess cost.

Thank you again for your time and the opportunity to appear before the Committee today, and I will be glad to answer any questions you may have.

Betsy McCaughey, Ph.D.

Betsy McCaughey is a patient advocate and former Lt. Governor of New York State. In 2004, she founded and is now Chairman of the Committee to Reduce Infection Deaths (also known as RID), a nationwide educational campaign to stop hospital-acquired infections. In five years, RID has made hospital infections a major public issue. It has provided compelling evidence that preventing infection improves hospital profitability as well as saving lives, and RID has won legislation in over 25 states for public reporting of infection rates. RID has become synonymous with patient safety and clean hospital care.

Betsy McCaughey's research on how to prevent infection deaths has been featured by the Wall Street Journal, Good Morning America, the CBS Morning Show, ABC's 20/20, and many other national media outlets.

Betsy McCaughey is the author of over three hundred scholarly and popular articles on health policy, infection, medical innovation, the economics of aging, and Medicare. Her writings have appeared in The New York Times, The Wall Street Journal, New Republic, Policy Review, Forbes Magazine, New York Law Journal, Los Angeles Times, U.S. News & World Report, and many other national publications. Her 1994 analysis of the dangers of the Clinton health plan in The New Republic won a National Magazine Award for the best article in the nation on public policy. She has been profiled in The New Yorker, The New York Times Magazine, New York Magazine, The Washington Post, and other publications. She writes a weekly column for Investors Business Daily and Creators Syndicate.

Prior to entering the health policy field, Betsy McCaughey earned a Ph.D. in constitutional history from Columbia University. She is the author of two books on that subject. She has taught at Vassar College and Columbia University, and she produced prize-winning studies while at two think tanks, the Manhattan Institute and later the Hudson Institute.

From 1995 to 1998, she served as Lt. Governor of New York State. She focused on health issues, and her bills became models for legislation in many states and in Congress.