



Prepared Testimony of
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for the
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
Full Committee Legislative Hearing on VA Infrastructure
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Chairman Takano, Ranking Member Bost, and Distinguished Members of the Committee:

We offer this written statement for the record on the issue of VA infrastructure. The Veterans Healthcare Policy Institute (VHPI) is a national non-partisan research and policy non-profit that studies the provision of healthcare and other services to the those who served in the US military, as well as to their families and communities. Through research and education, we help veterans' advocates, legislators, members of the media, and the broader public understand the complex nature of veterans' health conditions and the need for a population health system that specializes in providing veteran-centric care and services. Our driving goal is to improve the provision of care to veterans in the public and private sector and apply VA best practices to the rest of the American healthcare system.

We wish to express deep concerns today about the VA's impending Asset and Infrastructure Review Commission. While we believe the commission has a critical opportunity to deal with long-standing needs to maintain, renovate,

repurpose, and expand VA's infrastructure, we fear that the commission's deliberations could be influenced by myths and misinformation.

To be specific, we'd like to address the erroneous beliefs that VA's aging infrastructure is too expensive to deal with and that it will be more cost effective to close facilities than to repair and even expand them.

While VA is consistently asked to emulate the so-called "best practices" in private sector healthcare, a line is drawn when it comes to the sort of major investments non-VA hospitals and health systems make to construct state-of-the-art facilities. The fact is, spending millions on maintaining, repairing, and renovating hospital infrastructure – and constructing new buildings – is a routine part of doing business in the non-VA healthcare sector.

The VA currently [requires between \\$70 and \\$80 billion](#) to do the long-overdue work needed to make sure veterans have access to high quality care that is provided in a safe environment and in a timely fashion. Infrastructure management is key to that effort. And yet we consistently hear that this figure is too high a price to pay. VA has also [been criticized](#) for cost overruns and delays when it has engaged in construction projects, like the development of the Denver VA medical facility, which cost about \$1.7 billion.

What is rarely mentioned in these discussions is the fact that private hospitals routinely invest eye-popping sums on renovation and new construction. One [report](#) estimated that 18% of hospital construction projects are also over budget and delayed. While lawmakers blink at spending millions to [seismically retrofit](#) a major VA Medical Center in San Francisco, similar work has occurred in many other hospitals around it. According to 2018 [USGS report](#), a whopping \$19 billion has been spent to retrofit or rebuild acute-care hospital facilities in the San Francisco Bay Area since the Loma Prieta earthquake in 1989. Other hospitals in the Bay Area routinely allocate huge sums for routine building costs. According to a 2014 [report](#), California Pacific Medical Center's 274-bed hospital cost \$2.1 billion, while the rebuilding of San Francisco General Hospital was estimated at \$700 million.

According to another [report](#), seven private sector hospital spent a total of \$13.53 billion on construction in 2020 alone. The hospitals are:

- Children’s Hospital of Philadelphia (\$3.4 billion)
- UC San Francisco (\$1.5 billion)
- UC Davis (\$1.9 billion)
- Ohio State University Wexner Medical Center (\$1.79 billion)
- Harbor View Medical Center Seattle (\$1.74 billion)
- Indiana University health (\$1.6 billion)
- Harbor UCLA (\$ 1.6 billion)

Just seven of the nation’s 6,000 hospitals spent essentially a fifth of what the entire VHA system – the nation’s largest healthcare system – needs to spend on infrastructure. Moreover, in 2021, [Becker’s Hospital Review](#) announced that 11 hospitals were planning upgrades or expansions. The cost for only six of those was \$1.3 billion. The report also noted that St. Jude Children’s Research Hospital is launching a six-year, \$11.5 billion expansion to improve research and treatment for children. As is clear, spending large sums of money on renovation and construction is routine in the private sector. We believe that veterans served by the VA deserve no less.

VHPI recommends that one of the most critical things Congress must now do is allocate the money the VA needs to maintain and improve infrastructure, and also launch new construction projects when needed, so that veterans can continue to be provided the very best care anywhere.

We thank you for the opportunity to provide our perspective on these matters.

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