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Report to the Chairman, Subcommittee
on Oversight and Investigations,
Committee on Veterans' Affairs, House
of Representatives

December 1994

VETERANS' HEALTH CARE

Veterans' Perceptions of VA Services and VA's Role in Health Care Reform





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**Health, Education, and
Human Services Division**

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The Honorable Lane Evans
Chairman, Subcommittee on
Oversight and Investigations
Committee on Veterans' Affairs
House of Representatives

Dear Mr. Chairman:

During the past 5 years, studies by GAO, the Department of Veterans Affairs' (VA) Commission on the Future Structure of Veterans Health Care, and the Paralyzed Veterans of America (PVA), among others, identified the need for fundamental changes in the VA health care system to enable it to play a more effective role in meeting the changing health care needs of America's veterans.¹ But the type and extent of changes needed in the VA system are closely related to potential changes in other health care programs such as the changes debated during the 103rd Congress.

To help determine appropriate changes in the VA health care system, you asked us to obtain information on veterans' (1) perceptions of the VA health care system and (2) opinions about VA's future role in meeting their health care needs. To do this, we held 14 focus group discussions with veterans in different parts of the country.² We met with veterans who currently use VA health care—or have used it within the last 3 years—and veterans who do not use VA health care. A total of 127 veterans participated in our focus groups.

Focus groups provide qualitative information that must be interpreted carefully. Although focus groups provide a range of views on a topic, the results cannot be quantified and are not necessarily representative of the population as a whole. Subject to that limitation, they are an effective tool for collecting information on complex issues of consumer choice. Appendix I contains a more detailed description of our scope and methodology.

¹See Report of the Commission on the Future Structure of Veterans Health Care, Department of Veterans Affairs (Nov. 1991); Strategy 2000, The VA Responsibility in Tomorrow's National Health Care System, Paralyzed Veterans of America (Apr. 1992); Creating a Government That Works Better and Costs Less, Report of the National Performance Review (Sept. 1993); and Tracking the Course of National Health Care Reform, Paralyzed Veterans of America (Mar. 1994). A list of related GAO products is included at the end of this report.

²A focus group is a small group discussion led by a trained moderator held at a neutral site. While the moderator poses broad discussion questions, the participants discuss the topics among themselves.

We presented the preliminary results of those focus groups in April 20, 1994, testimony before the Subcommittee.³ As subsequently agreed with your staff, this report provides further insights from those groups and related studies.

Results in Brief

Focus group participants expressed views about the care provided by VA facilities and the role VA should play in a reformed health system that were as diverse as the veteran population itself. The perspectives of the 127 veterans who participated are not statistically representative of the nation's 27 million veterans. Still, many of the views expressed are consistent with findings in other studies. For example, some of the concerns expressed in the focus groups about VA health care—such as excessive waiting times and poor customer service—have been highlighted in our prior reports.

Apprehension about change was a recurrent theme running through the focus groups. Veterans expressed concerns that changes could diminish or eliminate veterans' health benefits, that allowing nonveterans to use VA facilities could detract from care for veterans, that VA would lose its individuality and its focus on the special health care needs of veterans, and that veterans who are dependent on VA would be hurt emotionally. Some focus group participants thought that VA remained the appropriate vehicle to provide health care for veterans' service-connected needs. Others, however, believed that VA can no longer adequately tend to these veterans and that other options to address veterans' health care needs should be developed.

Background

When the VA health care system was established in 1930, public and private health insurance were virtually nonexistent. VA developed its system as a direct delivery system, with the government owning and operating its own health care facilities. It became the nation's largest direct delivery system, with 171 hospitals, 240 outpatient clinics, 126 nursing homes, and 32 domiciliaries.⁴

With the subsequent growth of public and private health insurance programs, most veterans now have one or more alternatives to VA health

³Veterans' Health Care: Veterans' Perceptions of VA Services and Its Role in Health Care Reform (GAO/T-HEHS-94-150, Apr. 20, 1994).

⁴Domiciliaries provide shelter, food, and necessary medical care on an ambulatory self-care basis to veterans who are disabled by age or disease but not in need of skilled nursing care or hospitalization.

care. In 1990, 9 out of 10 veterans had other health care coverage in addition to access to services provided by VA. For example, about 26 percent of veterans were eligible for Medicare. We reported in 1992 that the availability of alternative public or private health insurance is an important factor in predicting veterans' use of VA health care services.⁵

Still, VA continues to play an important role in meeting the health care needs of veterans. About 2.2 million veterans made more than 20 million outpatient visits to VA health care facilities and had more than 970,000 hospital stays in 1991. Of these veterans, about 1 million had disabilities incurred in or aggravated by military service (service-connected), and 1.2 million had no disabling conditions relating to military service (nonservice-connected).

In its November 1991 report to the Secretary of Veterans Affairs, the Commission on the Future Structure of Veterans Health Care recommended substantial changes in the organization and mix of services delivered by VA to meet the changing health care needs of an aging veteran population.⁶ Among the changes recommended were reform of VA eligibility and entitlement provisions to enable veterans to obtain the full continuum of VA health care services, redistribution of VA health care resources to better meet veterans' needs, and use of innovative approaches to improve access to VA health care. Although the need for fundamental restructuring of the VA health care system was identified by the commission and others, the push to restructure VA was soon overtaken by national health reform proposals.

Legislation considered during the 103rd Congress would have had significant effects on VA's role as a health care provider. Health reform proposals would have made fundamental changes in how Americans obtain and pay for health care. Proposals ranged from reforming the health insurance industry to make it easier for Americans to obtain insurance to creating a universal coverage system based on employer or individual mandates or a single-payer system. Enactment of such proposals would have further reduced the number of veterans lacking basic health coverage, thus affecting VA's role as an acute care provider.

⁵VA Health Care: Alternative Health Insurance Reduces Demand for VA Care (GAO/HRD-92-79, June 30, 1992).

⁶The 15-member commission was appointed by the Secretary of Veterans Affairs to evaluate the VA health care system.

Two health reform proposals included significant changes in the VA health care system or veterans' health benefits. First, the administration's proposed Health Security Act (H.R. 3600/S. 1757), including the Mitchell and Gephardt proposals, would have (1) transformed the VA system into a series of managed care plans to compete with private sector plans and (2) restructured VA eligibility and entitlements. The Dole/Packwood (S. 2374) proposal would have given VA facilities increased flexibility to compete as health care providers under state health reform legislation; it would not have reformed VA eligibility.

Although health reform legislation was not enacted during the 103rd Congress, VA's Health Care Reform Office continues to develop plans for converting VA into a managed care system in anticipation of future health reforms at either the state or national level.

Veterans Tended to Use VA Health Care to Supplement Other Coverage

Veterans participating in our focus groups, other than those without health insurance, seemed to use VA for certain services, such as treatment of service-connected disabilities, rather than relying on VA for all of their care. For example, one veteran said, "I use the VA as a safety net. If I am working and . . . covered with insurance, I will not use VA . . ." Similarly, a service-connected veteran said that ". . . I use the VA for . . . strictly things that were service-connected."

Our prior studies showed that veterans who use VA health care services tend to have lower incomes and less private insurance coverage than veterans using other providers. This has two important implications for national health care reform.

First, to the extent national reform expands the number of veterans having health insurance and/or provide subsidies for low-income veterans to help them pay for private sector health care, demand for VA health care services could decrease. Universal health insurance could reduce demand for VA inpatient care by as much as 47 percent and outpatient care by about 41 percent, we reported in June 1992.⁷ While more modest insurance industry reforms would similarly reduce demand for VA health care, the effect would depend on the number of veterans gaining insurance coverage and the extent of subsidies for the low-income, if any.

Second, health reform that would require veterans to choose either VA or another health plan to provide all of their comprehensive health care

⁷GAO/HRD-92-79.

benefits could significantly affect future demand for VA health care. Currently, veterans with multiple coverage, such as those with both VA and Medicare, can pick and choose where they get health care services. For example, they may use Medicare for routine physician care but use VA for a costly episode of inpatient care or to obtain services, such as outpatient prescription drugs, not covered under Medicare.⁸ Many factors could affect veterans' choices between VA and their alternative coverage(s) including established provider relationships, convenience, covered services, and cost-sharing arrangements.

This choice could be particularly difficult for veterans with service-connected disabilities. Many of the veterans with service-connected disabilities participating in our focus groups said that they use VA only for treatment of their service-connected disabilities. While their use of VA may be limited, many veterans participating in our focus groups expressed strong views about the government's obligation to provide care for veterans with service-connected disabilities. For example, one veteran said "It's the VA's responsibility to take care of those injuries you received in the war, not your insurance company's." Health reforms that force veterans to choose between VA and other health plans could limit the ability of veterans with service-connected disabilities to seek treatment from VA for their service-connected conditions if they choose another health plan.

Appendix II contains excerpts from the focus groups showing the range of comments relating to why veterans use VA health care.

Veterans' Perceptions of VA Health Care Varied by Location

Focus group participants' perceptions of VA health care varied by location, but concerns focused primarily on poor customer service. Among the frequent complaints were comments about excessive waiting times, poor staff attitudes, and inadequate parking. For example, one veteran said that

"[o]ut at VA you go to one place and sit there for 20 minutes reading the newspaper. You move down to another spot for 20 minutes reading the newspaper. Pretty soon you almost miss lunch, and you feel like leaving . . . I don't understand why it has to be that way."

Another veteran commented, "There's no parking, period."

⁸Veterans' Health Care: Use of VA Services by Medicare-Eligible Veterans (GAO/HEHS-95-13, Oct. 24, 1994).

The concerns about waiting times at VA facilities are consistent with findings in our October 1993 report on VA's ambulatory care system. We found that waiting times varied widely, but veterans often experienced lengthy service delays when they sought ambulatory care at VA facilities. Veterans with nonurgent conditions frequently waited 1 to 3 hours before a physician examined them in the emergency/screening clinics we surveyed. In addition, veterans frequently waited 8 to 9 weeks to obtain appointments in specialty clinics.⁹

Staff attitudes were a frequent source of both complaints and praise. For example, one veteran described VA as "uncaring and case hardened," while another said that VA has "lost the attitude of service." There were also comments, however, about the caring attitudes of VA staff at some facilities. For example, one veteran described VA as "dedicated and helpful" while another said, "I'm happy and I'm satisfied."

Prior findings by PVA and the National Performance Review highlighted poor customer service as a barrier to VA competitiveness in a reformed health care marketplace.¹⁰ Not surprisingly, veterans in cities having veterans' facilities with good reputations for customer service also expressed more interest in enrolling in VA health plans. The reputation of individual facilities will likely be a significant factor in determining whether veterans stay with VA under health care reform.

Just as veterans expressed both satisfaction and dissatisfaction with VA's customer service, there was a wide range of views relating to the quality of care provided by VA facilities. Veterans in the focus groups perceived that the quality of care offered by VA can be erratic, and some veterans questioned the care offered in other locations. Others, however, credited VA with saving their lives or identifying health problems not identified by private sector providers.

Veterans' views of VA quality of care may be shaped by personal experience, anecdotal information from others, or from published reports and studies. For example, studies by GAO and VA's Inspector General have highlighted continuing problems in correcting quality assurance problems at VA medical centers. In addition, several highly publicized incidents

⁹VA Health Care: Restructuring Ambulatory Care System Would Improve Services to Veterans (GAO/HRD-94-4, Oct. 15, 1993).

¹⁰Tracking the Course of National Health Care Reform, Paralyzed Veterans of America (Mar. 1994) and Department of Veterans Affairs, Accompanying Report of the National Performance Review, Office of the Vice President (Sept. 1993).

involving alleged poor quality of care at individual VA medical centers may contribute to veterans' apprehension about quality of care.

Whether groundless or not, veterans' misgivings about the quality of care rendered by VA facilities would affect VA's ability to compete in a reformed system. Appendix III contains excerpts from the focus group discussions showing the range of comments relating to veterans' satisfaction with VA health care.

Various Barriers Limited Veterans' Use of VA Health Care

Focus group participants cited a variety of barriers that limit use of VA health care. Participants often cited being ineligible for VA health care or being uncertain about their eligibility as impediments to use of VA. Distance to VA facilities, inconvenience associated with using VA, and past negative experiences with VA were other contributing factors mentioned in the focus group discussions.

According to VA's 1987 Survey of Veterans (SOV), most veterans, including about 30 percent of those with service-connected disabilities and 56 percent of those without public or private health insurance, had never used VA health care services.¹¹ Although the availability of other health care options through public or private health insurance coverage is an important factor in predicting VA use, many other factors may contribute to the limited use of VA health care services by veterans.

The barriers cited in the focus group discussions are consistent with findings in our prior studies. For example, we previously reported the following:

- Complex eligibility and entitlement provisions limit the ability of veterans, particularly those with no service-connected disabilities, to access VA outpatient care services. Veterans with nonservice-connected disabilities can generally obtain outpatient services only if they are needed to obviate the need for inpatient care, are provided in preparation for inpatient care, or are provided as a follow-up to inpatient care.¹²

¹¹The Bureau of the Census conducted the SOV based on its Current Population Survey, a monthly nationwide survey designed to obtain information on the employment status and other characteristics of the population. A total of 11,439 veterans were sampled. Among other things, the survey contains information on the number of veterans, their employment status, and their health insurance coverage. A VA contractor completed an independent study in 1989, validating the survey methodology.

¹²VA Health Care: Comparison of VA Benefits With Other Public and Private Programs (GAO/HRD-93-94, July 29, 1993).

- Veterans' access to outpatient care at VA medical centers varies widely because of differing interpretations of eligibility criteria and varying decisions on whether and how to ration care.¹³
- VA facilities are geographically inaccessible to many veterans. Both public and private insurance programs generally give veterans options for obtaining care closer to their homes. For example, over 6,000 hospitals participate in the Medicare program, compared to 171 VA hospitals.

In addition, many veterans were unaware of their eligibility for veterans health benefits. VA's SOV found that only 41 percent of veterans were aware of VA hospital benefits for low-income veterans and less than half were aware of VA outpatient care benefits.

Under health reform, VA would need to attract many of the veterans who currently do not use its facilities if it is to be a viable competing provider. Without an aggressive strategy to address the barriers discussed above, VA would not be able to market competitive health care plans.

Appendix IV contains excerpts from the focus group discussions showing the range of barriers to VA use identified by focus group participants.

Veterans' Views of VA's Role in Health Reforms Varied Widely

Veterans participating in our focus groups disagreed about the appropriate role for VA in a reformed health system. Topics such as whether VA should remain a separate system, offer general health care or specialized services to veterans, and serve veterans' families elicited strong opposing views.

Veterans frequently expressed concerns that changes could reduce VA's emphasis on veterans' health care. Some veterans worried that selecting non-VA providers could have a detrimental effect on their disability ratings and on the timely diagnosis of service-related conditions. Such veterans generally expressed a desire to maintain separate VA health care facilities under health reform, seeing it as a tangible symbol of the nation's commitment to its veterans. For example, one veteran commented that

"I feel like you [have to] keep the veterans' benefits separate. If they don't, we're going to lose them."

Other veterans, however, did not see the need for a separate VA system as long as veterans were given a workable alternative. These veterans

¹³VA Health Care: Variabilities in Outpatient Care Eligibility and Rationing Decisions (GAO/HRD-93-106, July 16, 1993).

suggested options such as VA becoming a payer rather than provider of services. The primary concern of this group was that veterans be given something of value equal to what they have now. For example, one veteran commented that

“I see nothing wrong with being incorporated into one big deal, as long as I got the same value as I get now.”

Focus group participants had similarly divergent views on whether VA should provide health care services to veterans’ dependents, and if so, whether those services should be provided in VA facilities. For example, one veteran said

“I have no problem with the VA taking care of families, but I don’t want to see it at the expense of veterans.”

Another, however, said that

“[t]he VA was created to take care of the individuals who bore the brunt of the battle, not for my wife and not for my kids.”

Concerns were also expressed about taking family members to VA hospitals. For example, one veteran noted, “I can’t see my wife going to the VA hospital”.

Appendix V contains excerpts from the focus group discussions showing the range of views concerning the appropriate role for VA in a reformed health care system.

Veterans’ Future Use of VA Would Depend on Many Factors

Veterans in the focus groups discussed various factors they would evaluate when assessing VA as a possible health care provider. The types of services offered by VA compared with those of other providers as well as the associated out-of-pocket costs were topics that were prominently featured in these discussions. Veterans also mentioned that the changes implemented by VA to compete in health reform would influence their choice. On the other end of the spectrum, certain veterans in the focus groups mentioned that they would not consider VA as a health provider regardless of services offered or changes implemented.

Appendix VI contains excerpts from the focus group discussions showing the range of comments concerning factors veterans would consider in deciding whether to choose VA as a health care provider.

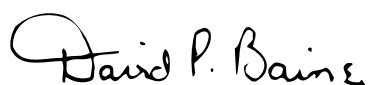
Agency Comments

We did not request comments from the Department of Veterans Affairs on this report. We did, however, meet with officials from the Department to discuss our preliminary findings as presented in our earlier testimony.

As agreed with your office, we are providing copies of this report to the Chairman and Ranking Minority Member, Senate Committee on Veterans' Affairs; the Chairmen and Ranking Minority Members of the House Committee on Veterans' Affairs and the Senate and House Committees on Appropriations; the Secretary of Veterans Affairs; and other interested parties. Copies will be made available to others upon request.

Please call me at (202) 512-7101 if you or your staff have any questions about this report. Other contributors to this report are listed in appendix VII.

Sincerely yours,



David P. Baine
Director, Federal Health Care
Delivery Issues

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Abbreviations

GEHA	Government Employees Hospital Association
HMO	health maintenance organization
PVA	Paralyzed Veterans of America
SOV	Survey of Veterans
VA	Department of Veterans Affairs

Scope and Methodology

The qualitative information presented in this report was obtained from focus group discussions held in Baltimore, Maryland; Martinsburg, West Virginia; San Francisco, California; Denver, Colorado; and Charlotte, North Carolina. A total of 127 veterans participated in 14 focus group discussions. The groups ranged in size from 5 to 14 participants.

In the focus groups, veterans discussed their attitudes and perceptions about veterans' health care, health care coverage in general, and the VA health care system. Focus groups are small groups of people who get together to talk about a given topic. A specially trained moderator conducts the meetings, posing broad discussion questions, but essentially allowing focus group participants to discuss the topics among themselves. Focus groups provide a range of views on a topic, but the results cannot be quantified and are not necessarily statistically representative of the population as a whole. Subject to that limitation, focus groups are an effective tool for collecting information on complex issues of consumer choice.

Among the issues discussed in our focus groups were veterans' views on

- the reasons and extent to which they use VA health care services;
- their overall satisfaction with the care VA provides;
- barriers that prevent veterans from getting care at VA;
- the issues of whether VA should be a full service provider, whether VA should set up managed care plans to compete with private sector plans, and whether these VA plans have the potential to be competitive;
- the need to maintain a separate VA health care system;
- the question of whether the VA health care system should be expanded to cover dependents;
- the factors the veterans would consider in deciding whether to select a VA health plan; and
- the ways in which VA could be changed to make it a more competitive provider.

We selected the topics after reviewing current literature on the future of VA, the need for eligibility reform, and possible ways to restructure VA. We reviewed documents such as Report of the Commission on the Future Structure of Veterans Health Care, written for VA in 1991; Strategy 2000: The VA Responsibility in Tomorrow's National Health Care System, written by the Paralyzed Veterans of America in 1992; and the relevant sections of the National Performance Review, Creating a Government That Works Better and Costs Less. We also used information from VA's 1987 Survey of

Veterans on veterans' health insurance and use of medical benefits to shape our moderators' guide. Finally, past and ongoing work at GAO shaped our topic selection as well.

To identify potential participants for 12 of the 14 groups, we used information from VA's compensation and pension files. From this information, we identified low-income veterans, those with service-connected disabilities that rendered them 50-percent or more disabled, those with service-connected disabilities that rendered them less than 50-percent disabled,¹⁴ women veterans, Medicare-eligible veterans, and veterans who did not live within a 40-mile radius of a VA medical facility. For the remaining two groups, we used Office of Personnel Management and Department of the Interior data to identify federal employees who claimed a veteran's preference when hired. In our view, these veterans, who currently have multiple insurance options, are representative of high-income veterans that VA seeks to attract.

Using the criteria mentioned above, we selected names and addresses from the compensation and pension data and found telephone numbers for those listed. Generally, we recruited 12 to 15 individuals to participate in the discussions in anticipation that 8 to 10 would actually be able to participate. To minimize selection bias, we telephoned many of the veterans during the late afternoon, early evening, and on weekends so that a broad spectrum of veterans would be invited to participate. We mailed confirmation letters and directions to veterans who agreed to participate. The day before the scheduled meeting, we called veterans to remind them of the meeting to help ensure their attendance. At the end of the focus group sessions, participants were paid a nominal stipend of \$25 to defray travel and related expenses.

When inviting veterans to participate, we asked them whether they currently used VA health services or had used them within the last 3 years. We considered those veterans who had not used VA within the last 3 years to be nonusers of VA services. The general characteristics of the veterans in each of the focus groups are listed in table I.1.

¹⁴A service-connected disability is one that results from an injury or disease or other physical or mental impairment incurred or aggravated during military service. VA determines if veterans have service-connected disabilities and, for those with such disabilities, assigns ratings of from 0 to 100 percent based on the severity of the disability. These ratings form the basis for determining both the amount of compensation paid to the veterans and the types of health care services to which they are eligible and entitled.

Table I.1: Profile of Focus Group Participants

Location	Categories of veterans	
	Users	Nonusers
Baltimore, MD	Veterans with service-connected disabilities equal to or greater than 50%	Veterans with service-connected disabilities equal to or greater than 50%
Martinsburg, WV ^a	Low-income veterans	Low-income veterans
San Francisco, CA	Female veterans	Female veterans
	Medicare-eligible veterans	Medicare-eligible veterans
Denver, CO	Veterans with service-connected disabilities rated less than 50%	Veterans with service-connected disabilities rated less than 50%
	High-income veterans (Department of the Interior employees)	High-income veterans (Department of the Interior employees)
Charlotte, NC	Veterans who do not live within a 40-mile radius of a VA facility	Veterans who do not live within a 40-mile radius of a VA facility

^aTo recruit participants for the Martinsburg, WV, focus groups, we started with a list of veterans in the area who received VA pensions. However, not all veterans participating in these groups received VA pensions, nor were they necessarily veterans with low incomes.

The focus group discussions were held in neutral locations intended to encourage open discussion. Twelve of our focus groups were held at market research facilities designed to record and observe group discussions unobtrusively. In Martinsburg, where facilities were not available, two meetings were conducted in a hotel conference room. GAO employees who are trained moderators guided the discussions. Using an outline of relevant topics, the moderators posed broad questions and encouraged participating veterans to converse among themselves. The group discussions were audiotaped and later professionally transcribed. Each group discussion generally lasted 2 to 2-1/2 hours.

We analyzed focus group information using an interactive text retrieval and database program that facilitates searches of transcript information by topic and keywords to categorize participants' responses.

We did this work between November 1993 and September 1994 in accordance with generally accepted government auditing standards.

Factors Influencing Veterans' Use of VA Might Change Under Health Care Reform

Veterans in our focus groups relied in varying degrees on VA to provide their health care. In general, veterans, other than those without health insurance, said they use VA selectively, for treatment of service-connected disabilities, rather than relying on VA for all of their care. Many of these veterans viewed VA's care as an entitlement. Veterans without other health insurance said they use VA as a safety net, in part because they have few other options. These veterans did not necessarily see themselves as entitled to care from VA. Finally, a group of veterans said they use VA as their provider of choice for all their care.

Amid this diversity, veterans expressed some common reasons for using VA. A core of veterans believed that VA understands and has the resources to best treat their special health needs. Others believed they are entitled to VA care. The administrative practices and preexisting condition clauses of alternative health insurance are another factor influencing the use of VA, because some private insurers promote use of VA for care of veterans' service-connected conditions. Finally, the low cost associated with VA was mentioned as a reason to use VA.

Extent of VA Use Varied, but VA Generally Supplemented Other Coverage

As shown by the following quotations, veterans in the focus groups relied on VA to provide different aspects of their care. Some veterans used VA primarily for treatment of their service-connected disabilities. Other veterans said they use VA as a safety net when they have no other insurance coverage. On the other hand, some veterans said they use VA for all their care.

"The only thing I use the VA for is strictly on the things that were service-connected. I don't use them for anything else. I have my own private doctor outside of the VA for all other medical purposes."

"Basically, I have no insurance. The VA is about all I have to fall back on."

"I have always thought of the VA as providing medical care at the last resort [when] . . . a veteran couldn't afford private care, and [he or she] would go into the Veterans Administration. Or perhaps they could afford private care, but did not want to pauperize themselves."

"I have had all my care done through the VA. The only reason I carry CompreCare [a local preferred provider organization] is for my wife so she can have health insurance. I've never made a claim against it. Before that I was with GEHA. [Government Employees' Hospital Association]. Before

that I was with Blue Cross/Blue Shield. I've never made a claim. She uses them. All my primary care has been through the VA."

Generally speaking, veterans with service-connected conditions seemed to use VA because they feel that they are entitled to health care from the government. Still, not all veterans or even all veterans with service-connected disabilities saw themselves as entitled to care from VA.

Selected quotations from veterans follow:

"It's the VA's responsibility to take care of those injuries that you received in the war, not your insurance company's. I can fall back on that [other insurance]. I'm lucky, but I shouldn't have to. Because they didn't injure me, the company didn't injure me, the U.S. service did."

"Every veteran in the United States feels that because we did our share, we did what we did, we should receive the treatment. We should not have to go somewhere else and have our insurance company pay for it, or us end up paying for it . . . [VA has] to be responsible to take care of us, because nobody else is going to do it."

"[VA is] a safety net for me [and] that's just what it's supposed to be. I don't think that if I'm working, I should abuse it by going there and getting in line when there are others who don't have the money [and] really need it. If I am insured, I don't believe that I should abuse what's given to me."

"If I'm sick and I've got the flu and I can't shake it, I don't feel that the VA should have to provide that for me. I could go to the VA hospital for treatment for my service-connected disability if I chose, but since I have another place to go, I choose not to."

"Anybody that has had any problems in the service, they need to be taken care of. I think it should only be service-connected disabilities. [If] you got out and had absolutely nothing wrong with you, 20 years after you get out how . . . can that guy have a service-connected disability? That is not going to work. It has to be while you are in the service that these things happen."

"I don't think the basic veteran is looking for anything above and beyond. I think that he is looking for the same care as anybody else."

Veterans' Reasons to Use VA Varied

Veterans discussed reasons why they currently use VA for their health care. Among other factors, veterans mentioned that VA understood and could treat their special needs. One veteran, in particular, mentioned that VA had treated him in the past and had maintained his medical records for 20 years. Certain veterans thought that VA had greater resources than other providers to treat their problems. The administrative practices and the coverage exclusions for preexisting conditions in private insurance policies can force veterans with service-connected conditions to use VA for their service-connected illnesses. Cost was a significant reason for some veterans to use VA for their health care. Specifically, veterans used VA to minimize their out-of-pocket costs or to receive services that were not covered by their other insurance plans.

Selected quotations from veterans follow:

"Why use the VA? Because they're experienced in the kind of difficulties veterans have. And even if it's a new doctor there, he gets experience very quickly."

"My main reason for going to VA exclusively is that they have a medical record now. We're talking about 20 years of medical records."

"The VA, even though they've got a budget . . . they have deep pockets . . . If you walk in there with a problem, they're going to keep working on you. They have a budget, but it's still the government. It's not like for-profit hospitals or for-profit medical plan or whatever . . . And they take care of a lot of different problems, you know, like mental problems and things like that, regular insurances, you are limited to so many hours, so much counseling."

"The reason I don't mix my VA and Blue Shield is because I've had . . . a couple of real knock downs with Blue Cross. For one thing, I know with the VA, they're going to cover me for what I am disabled for. Blue Cross . . . all of a sudden I have a clerk making a diagnosis and telling me they're not going to pay my bill. And I'm stuck with it."

"If you have a service-connected injury and you've got one of the health care plans . . . they require you, if it's service-connected, to get it [care] from the VA."

"[VA care] is free. And it cost me hundreds, maybe thousands of dollars for the operations I've had. I don't complain. I'm happy."

"If something happens to me where it's going to cost me mucho money, I've got someplace I know I can go to . . . I've got someplace to go without somebody saying when I walk in there, 'How are you going to pay for this?'"

"I recently had the flu and the VA took care of me, but the reason why I went to the VA is because I couldn't afford to go to the doctor. The insurance would have paid for it, but there was a difference of \$65 that I didn't have . . . so the VA was there."

"In my case, they [VA] supply me with equipment, which would be very expensive if I had to buy it myself . . . I am not sure what other insurances may or may not cover in this case. But it doesn't cost me anything at VA."

Veterans' Incentives to Use VA Might Change Under Health Care Reform

Veterans' current use of VA might change in a reformed system in which they might have to choose between their health care plans. Under certain of the reform proposals considered in the 103rd Congress, veterans who currently use VA only for treatment of their service-connected disabilities would no longer be able to obtain such treatment from VA if they enrolled in non-VA health plans, if their plans did not contract with VA to provide health care services, or if their plans did not reimburse VA for their care. Under universal coverage, veterans who currently use VA as a safety net would have other health care options at their disposal. Under health care reform, low-income veterans who currently use VA to minimize their out-of-pocket expenses might qualify for subsidized health care when using other health plans. Also, many reform proposals would eliminate preexisting condition clauses that motivate certain veterans to use VA. Of course, those veterans who consider VA as their provider of choice would be able to select VA for their health care.

Veterans' Satisfaction With VA Health Care Varied by Location

As shown by the following quotations from veterans participating in the focus groups, the level of veterans' satisfaction with VA health care varied by location. The principal concerns voiced in the focus groups addressed VA's poor customer service and employees' attitudes. These veterans might have direct experience with different facilities or might be relying on anecdotal information regarding the reputations of different VA facilities. Some veterans in the focus groups perceived that the care offered by VA can be erratic, and others questioned care offered by facilities in other locations. Whether groundless or not, veterans' misgivings about the quality of care rendered would affect VA's ability to compete in a reformed system.

"Each facility seems like it's a little bit different. Now, I've been to the one in Baltimore. I didn't care for the attitudes in Baltimore. I didn't care for the way they treated people. But when you walk into the one down here at Martinsburg, it's a little bit different. It's—they don't walk up to the door and greet you and pat you on the back and say 'come on in friend,' but it's not as much hassle to get into the system."

"Winston-Salem was great . . . Salisbury stank. I wouldn't go back. I felt [I was] getting jockeyed [around]. But in Winston-Salem, everybody was just real up front and more than willing to help you."

"My knowledge is that VA hospitals connected with major medical centers are much better than VA hospitals that aren't."

"If you [were] out of town or some place and got in one of [those] wrong ones, you might be disappointed that you picked VA . . . [I]f you picked VA, then you would have to take VA wherever you [were], right? If you [were] traveling some place . . . and got in . . . VA in New York, maybe that might not be as good as one that's local."

VA's customer service, in particular, came under sharp criticism by several veterans in different areas of the country. Specifically, some veterans thought that scheduling delays, waiting times, and employee attitudes need to be improved to humanize care at VA. In one veteran's view, negative employee attitudes accentuated the problem of waiting times.

Selected quotations from veterans illustrate this view:

"They try to make it as difficult for you as possible. They have lost the attitude of service. You are just a number."

"VA is the last place I'll go. And it is not so much the medical care as it is customer service. I don't think they provide good customer service because half the time I walk out before I get to the doctor."

"I think it would be nice if you could make an appointment and have it kept so that it could be something that would be conducive to your schedule."

"I hate to be unfair to all the people that work in the VA system, that they're all callous. And it is individual. But being an employed person that has a boss who wants me to be at work and I'm trying to schedule an appointment through the VA who says that, 'I don't care what you come in here for, you're going to be here all day. We can't tell you what time your appointment is going to be. You come in early and you stay late.'"

Without question, some veterans thought that the care at VA had declined in recent years, to the point where certain veterans thought that VA offered them less care than they expected or felt they were entitled to. Funding shortfalls were seen as the fundamental cause of the decline of VA's care.

Selected quotations from veterans follow:

"Like I said, I have had probably 14 operations or 15 operations at the VA hospital, and at that time the care was exemplary . . . What has happened in the meantime is they have quit giving much care at all. In the last few years, if you have a serious injury, you have to go through . . . paperwork. Was it service-connected? If it was not service-connected, there are all sorts of different qualifications that come into it that didn't used to be a main consideration."

"[A]t one time, I won't say all VA hospitals but a great many of them used to put out some pretty quality service. Due to the fact of budgets . . . congressmen and the presidents who take this away and this away, they just slowly but surely are stripping it to the bones to where they can't provide adequate care."

While, generally speaking, VA's quality of care was not the primary concern voiced by the veterans participating in the discussions, some veterans were not complimentary about the care offered by VA. In particular, continuity of care was a concern for some veterans who felt they saw different physicians each time they went in for treatment at VA. The competence of existing VA physicians coupled with the perception that VA

would not be able to compete with private sector salaries alarmed several veterans.

Selected quotations from veterans follow:

"My experience with the VA tells me that a lot of them are incompetent to do their job, and overworked."

"People with a military-connected mental problem or a back problem that was created in the military, they should take care of it. You should be able to get excellent care, not this 'iffy' care."

"When I first got out of the service, I spent a great deal of time in the VA hospital . . . [T]he doctor that I had when I first got there wasn't the [same] doctor that I had when I left there. [C]onsequently, I [had] a lack of confidence in the doctor."

"I go to VA for my service-connected problems . . . I haven't really had a problem with care. It's just . . . that you never see the same doctor twice. If you could see the same doctor when you go into a VA hospital, and they'd follow your case along, it wouldn't be any big thing, but you never see the same one."

"There doesn't seem to be any continuity in that because you are also getting a different doctor almost every time you go in there [VA]."

"Universally, the military doctors are young, relatively new out of school, and you see one and he calls in two others to get some advice and help from them. When I went out to the civilian doctors, I [got] a lot better treatment in . . . a lot less time. I vote for civilian doctors compared to military doctors or VA doctors."

"I don't see how the VA can possibly hire competent people . . . How can they compete salary-wise with their counterparts in the private industry?"

Still, in contrast, other veterans offered a generally positive assessment of VA's care. In fact, some veterans felt that VA's quality of care was better than that offered by private sector providers. In certain instances, veterans viewed the care offered by health maintenance organizations (HMOs) as suspect.

Following are quotations from veterans on these topics:

"I have found the quality of medical care to be excellent, but the bureaucracy is a little wearing and the waits are a little exasperating, but once you get in to see the doctor, they have no incentive to get you in and out as quickly as possible because they are not paid on a per capita basis. So you get really excellent care. They are considerate and thorough. I was pleased."

"The hospital in Reno, for example, my uncle was in there with a stroke, he couldn't talk. I walked in the place, I didn't expect to find much. The place [could not have been] more spotless. They didn't know I was coming. He was clean . . . Certainly, I can say, [from] what I've seen visiting people in the VA hospital[s], the conditions are very good."

"I've been to Kaiser and UC [University of California] and the VA. The biggest difference, of course, [is that] the doctors are better at the VA. At UC . . . a private doctor, my own doctor . . . examines me. And then [I am turned] over to their teaching people anyway . . . he [the doctor] is making half-a-million a year; he's not spending a lot of time with me. And Kaiser, of course, is an HMO situation where they're limited by time and . . . have absolutely no feeling for you. It's probably the worst situation that I've ever been in. As far as the VA is concerned, you do get some bad apples occasionally, but there you can just stop and get another one."

In summary, although many users of VA services see the need to decrease scheduling delays and improve customer service and employee attitudes, these veterans may be well satisfied with other aspects of VA's health care. Still, the level of veterans' satisfaction with VA care does vary significantly by location. Taken to the extreme, VA may not be able to offer a seamless provider network across the country without some cost to VA if certain facilities cannot attract sufficient veterans to remain viable. Under health reform, VA's challenge would be to retain its perceived strengths while moving to form managed care plans. This transition might be formidable, in part because not all of VA's current users endorse the care provided by managed care plans.

Veterans' Confusion Over Eligibility and Other Barriers Precluded Current Use of VA Health Care

As discussed in the focus groups, various barriers impeded veterans' access to VA health care. Ineligibility for VA care or confusion over their eligibility for VA care were often cited as contributing factors. For example, several veterans who participated in the focus groups were reluctant to use VA because they did not know whether they were eligible. In other instances, veterans who thought that they might be eligible only clarified their status when they needed VA services. More than one focus group participant concluded that veterans should be more aggressively informed about their benefits.

Other factors hamper veterans' use of VA as well. Distance and the inconvenience associated with using VA were mentioned as disincentives to using VA. Past negative experiences with VA were also discussed as reasons not to use VA. Some veterans participating in the focus groups stopped using VA because VA does not currently offer care for veterans' dependents. Other veterans said they have a non-VA primary care physician.

Selected quotations from veterans follow:

"I was in the military but I don't know whether I would be covered. I don't have any disabilities or anything from the military. I don't know whether I'd be eligible for anything through the VA or not. I've never really checked on it, to tell you the truth . . . Some people say that I am but I don't know how that is."

"Until there is a need present, you know, why go looking for it? . . . [I]n my case when I retired I had a very good outbriefing . . . program . . . and like a good little soldier I ran around and did all those things . . . Some of my friends never bothered to go down and get their physical and see if they had any disabilities when they very obviously did . . . If something comes up . . . they're going to say, 'oh yes, that was an old war wound' and that's when they find out what they are entitled to or what they are not entitled to."

"When I retired about 5 years ago, someone said to me, 'What are you going to do about your insurance?' So I said, 'I don't know.' So they said 'Well, you are a veteran, aren't you?' And I said, 'Yes.' So I called the [VA] and they put me in the computer and I'm more than 50 percent disabled, service-connected, and I was also a prisoner of war . . . I am . . . completely, 100 percent covered [for health care services]."

"The first problem is that when you are coming out of the service . . . when you are going through the discharge processing they don't tell you what the VA will do for you."

"My son . . . just got out of the Navy not too long ago . . . looked at the packet of papers and went phfft and he tossed them. He wasn't going to go until I insisted that he go up to the VA and get examined . . . [H]e really didn't know what he was entitled to because the VA really doesn't advertise a whole lot of what you're entitled to . . . [H]ow many times do you see something laying around saying . . . you're entitled to this from the VA? Where do you see it laying around . . . unless you go to a VA facility or one of these little vet centers around here some place?"

"The VA is generally a little bit too far away . . . if you get a heart attack or a stroke, they're too far away for emergency treatment. So, you don't want to mess with them if you've got insurance."

"I have certain entitlements over at the VA and I choose not to use them because it is much easier to take care of it in my case with Blue Cross."

"There are a lot of people right now—myself for example, if I didn't have some other place to go, I'd have to be on my deathbed before I'd go to VA. That's just how bad I feel about the place. Now how many other people out there that need treatment that won't go look for that treatment because they have had a bad experience inside the system?"

"I would not have myself admitted to this hospital here in town. Like you said, you feel like you are going to get sick when you walk in the door. You need help when you go in the door there."

"I used the VA until I got married; then when I got married it was fine for me, but my wife needs insurance, too, and at that time it was cheaper for both of us to be on a policy than just one of us to be on the policy."

"I have totally written the VA off because basically I have my own primary care physician through CompreCare. Anything I need, I mean, it is \$10 for an office visit. He will look at me and do whatever the VA does. At least I'm guaranteed seeing a doctor."

"I'd just as soon go see my family doctor, someone who deals with me all the time, than go to the VA."

Appendix IV
Veterans' Confusion Over Eligibility and
Other Barriers Precluded Current Use of VA
Health Care

VA will need to attract a portion of the veterans who currently do not use its services to be a viable competitor in a reformed health system. Certain of the barriers reducing veterans' access to VA can be addressed fairly readily. For instance, VA can take steps to inform veterans of their eligibility for services. Other solutions, such as establishing satellite clinics to reduce the distance veterans travel, may require legislative and budgetary actions. Still, overcoming other obstacles, such as past negative experiences, may be more difficult. Without an aggressive strategy to allay these concerns, VA may not be able to maintain a competitive role in health reform.

Veterans Were Unsure About VA's Role in a Reformed Health System

Veterans participating in our focus groups expressed widely ranging views on whether VA should (1) remain a separate system or become a payer of veterans' care, (2) offer general health care services or specialized care to veterans, and (3) serve veterans' dependents.

Veterans Were Apprehensive That Changes to VA Would Diminish Benefits

Apprehension that change would diminish the commitment to veterans' health needs was a recurrent theme in the focus groups. Some veterans were concerned that the incidence of time-delayed, service-related conditions, such as illnesses related to exposure to Agent Orange, would not be monitored without a separate VA. In their view, payments for service-related conditions could be adversely affected as well.

Some veterans in the focus groups thought that VA should not be involved in health reform. Others saw the proposed changes as an effort to fortify a declining VA at some cost to veterans. These veterans thought that VA should concentrate on treating veterans, particularly in light of the limited resources constraining VA care today. Generally, these veterans expressed a desire to maintain separate VA health care facilities under health reform, regardless of whether they would select VA as a provider of care, seeing it as a tangible symbol of the nation's commitment to its veterans.

Quotations from veterans on these topics follow:

"If we take the VA away, what else is next? They are trying to lump us all in with everybody now that have never went to war, never got hurt . . . I feel like you [have to] keep the veterans' benefits separate. If they don't, we're going to lose them."

"It's my opinion that as things do get changed around like that, where outside facilities are open to the veterans, then the VA hospitals are going to be open to people from the outside, too. And surely little by little we'll just be phased right out of the VA . . . I for one would just like to keep the VA for the veterans."

"VA should stay the same as it is now and they should not allow civilians to be in it because for one thing it's going to put too much of a burden on the facilities now, which means that the veteran would get less care."

"VA . . . shouldn't become part of any national plan, it should remain separate and along with the national plan the veterans should be treated just like everybody else, but the VA is always there for the veteran."

"We don't know what effect those chemicals are going to have on those guys [Persian Gulf veterans] 20 years from now."

"If you're going to throw us [the veterans] into a plan like this, what's going to happen to the disability ratings . . . they should only go up as your injuries that you received in a war get worse You don't know, just like anyone here, what's going to happen 20 years down the road from what happened when you were in a war."

"I think emotionally it would hurt one group—a group of veterans that have been dependent [on VA]. That's their security, and I think it would be devastating to those people that have been using VA all along."

"I don't think they [veterans] are psychologically or emotionally attached to the VA. They are attached to the care provided at a certain cost to them, which is probably zero. As long as you keep providing good care at that cost, I don't see that there would be any trauma at all."

"This sounds to me like some VA agency has been told we're going to decide whether the VA is going to exist or not. And somebody is trying to justify their existence."

"It comes back down to the basics where we served our country, we deserve to be separated from the whole country I don't know what kind of health plan they'll come up with. Yes, it's great that they are, but I still feel veterans should have their own health coverage, their own facilities, because they did serve their country and they are unique . . . in treatment and everything else. Even though I might not be part of it."

Veterans Believed They Deserve Health Care but Examined VA as a Provider of Care

As shown in the following quotations, some veterans suggested that VA should no longer provide care directly to veterans, but merely pay for their care. While some believed that VA could be vulnerable to budget cuts if it no longer provides services directly to veterans, there was a perception that commitment to the veteran is at risk if the VA remains separate from health care reform.

"If the VA would close all the hospitals and get rid of all their staff, they could afford to send us to a civilian hospital where we would get some good care and a cheerful atmosphere."

"I think it is important to still draw the distinction between the responsibility to take care of conditions caused by activities that you participate in for the government versus having the Veterans Administration provide those services."

"The government should take care of them, but that doesn't necessarily mean that it has to build a hospital to take care of them. They should pay for the cure or the treatment, but not necessarily build the building to do it in."

"I think it is also a tendency, in my point of view, to make veterans look like they are something abnormal. They are not mixed in with the general population. They want to set them aside in a specific facility. They [veterans] will do much better . . . [if they are put] in with the general population. The government can pay for the care, but let them be treated like any other person in the country."

"There is a commitment to the people in this room who went into the military . . . the VA was going to be there to take care of those, and the country owes that to the people that served . . . [C]ontracting [VA services] out puts that at risk."

"As you get further away from a war or whatever, they tend to forget. That is why you don't get support from the politicians. If you are in a segregated system where the rest of the public doesn't benefit, they soon forget that they need to keep that up . . . It [VA] needs to be part of the mainstream. We need to be part of everybody else, which we are in every day life, so why in this particular aspect should we segregate ourselves?"

Future Level and Extent of VA's Services Was Debated

Certain veterans in the focus groups had a hard time viewing VA as a general health care provider because veterans see VA as primarily for treatment of their service-connected illnesses. Veterans believed that VA should care for those veterans who are dependent on VA and who will need care from VA in the future. Certain veterans believed that VA should improve the care rendered for service-connected problems before expanding the scope of its responsibilities.

Some veterans believed that a separate VA should offer specialized care to veterans but that veterans' general health care needs could be met by other providers. Other veterans saw VA's role primarily as a keeper of medical records to establish service-connected conditions.

Selected quotations from the focus groups follow:

"My orientation [is] that the VA is available for me on service-connected situations."

"We're all kind of talking about it, but it doesn't seem to be a place you'd go for general medicine."

"We've been discussing the VA's role in health care reform. The VA is going to make some changes, they're going to do something. Whatever they finally decide to do, if they look at it from the most needy vet in the system, the guy who needs the services the VA provides more than anybody else, . . . [h]e should be taken care of. And as long as they do that, then everybody else will fall in line behind that. Whatever they do, the vets need to be taken care of."

"What VA is supposed to do was administer veterans affairs programs for the U.S. government . . . [T]hey need to get their act together doing what they're supposed to do before we start talking about them taking on additional responsibilities."

"The average stuff could be pretty well contracted out and subsidized through other insurance companies with government assistance. I think the VA should lead on the specific diseases . . . that are not covered by your normal, every day health plan."

"That is why you have to have the Veterans Administration to maintain the records on these people so they know what happened to the veterans while they were on active duty and then provide the medical care through other services, not through the veteran hospital."

VA's Ability to Care for Veterans' Dependents Was Questioned

The topic of VA offering dependent care elicited a range of responses. Some of the participating veterans were strongly opposed to VA offering dependent care. In contrast, other veterans thought that VA would have to offer dependent care to attract veterans with families to VA. Some of those veterans, however, thought that VA would be unable to meet the needs of the family or that dependents would be uncomfortable seeking care at VA. One proposal that elicited a favorable response from these veterans was the option that VA provide care for the veterans and offer contract care for veterans' dependents.

Selected quotations on this topic include the following:

"I adamantly stand against the use of Veterans Administration hospitals and facilities by the general public . . . [i]ncluding vet families. The VA was created to take care of the individuals who bore the brunt of the battle, not for my wife and not for my kids."

"I don't think a veteran would particularly want to split his family up . . . The veteran . . . is going to go with his family."

"Almost everybody here is a family man . . . So you have got to take into . . . [account] your spouse, your offspring. And the thing is that if you are saying, well, you're going to have to make one decision, are you saying we make that one decision just for our personal needs? Or are we making them for our family's needs? Because for family's needs, if it's our family needs, 'Bye-bye VA,' because I've got to take care of my family."

"I'd go back to the VA, but I don't think they're equipped to handle the problems that my family has. I don't think they're equipped to handle the problems that my daughters have and that my wife has. I don't think they have the technology."

"Can you imagine taking your kid into the waiting room?"

"I couldn't understand why family members would want to go to a VA hospital . . . The VA is still geared to the veteran and is more . . . a military type hospital. I don't think a lot of what you'd call civilians would really feel that comfortable going there."

"If they really want families to come in, they are going to have to change the attitude of the wives that are already around because my wife wouldn't go down there."

Veterans' Selection of VA Would Depend on Shape of Health Care Reform and Extent of VA's Changes

Veterans in the focus groups discussed various factors they would consider when evaluating VA as a possible health care provider. The types of services offered by VA compared with those of other providers as well as the associated out-of-pocket costs were prominently featured in those discussions. Others thought veterans would be inclined to select VA if their disability compensation would be affected.

Some veterans mentioned that the changes VA implements to compete in health reform would be important considerations. Focus group participants suggested that VA would have to improve customer service, invest in modern equipment and new technologies, and improve the level of amenities to compete with the private sector. Other veterans suggested that VA would have to establish clinics or satellite offices to reduce the distance and travel time for them to get care at VA. Certain veterans suggested that VA would have to improve its image, initiate marketing efforts, and implement other changes to its business practices to become competitive.

On the other end of the spectrum, certain veterans in the focus groups said that they would not consider VA as a health provider regardless of the services offered or the changes implemented. In part, their reluctance stems from a sense of uncertainty about whether VA will make sufficient improvements to become a competitive health provider.

Selected quotations from the focus groups follow:

"If they [VA] offer the same care but they offered more than what the general population got, then the veteran would say yes."

"If they said the only way you get your VA disability is by coming to the VA hospital, man, they would be so swamped they wouldn't be able to keep up with it."

"If I choose to go on the outside versus the VA, what happens to my compensation? Does that get cut off?"

"I would be willing to bet that there are vets out there that would be willing to do a copayment type situation like CompreCare [a local preferred provider organization] does if the VA could expand its services and give it to them . . . and if you would get halfway decent care."

"They have to treat you like a human being when you go down there [to VA]."

"If the customer service was there in the VA, I would prefer to be there . . . Management from the administrative side, not the medical side, needs to get improved."

"Even if I knew I could get as good a care in a VA hospital as I could at Lutheran Medical Center [a local hospital], I wouldn't go to the VA because the interior of it is terrible. There is no atmosphere to make you want to get better. It makes you want to die."

"I think it's a lot better now . . . But I think it's outdated."

"I personally would have to say that they're [VA's technology] prehistoric . . . Hammer and chisel."

"If I was close to a VA hospital, I wouldn't go near anybody else. I'd stay with the VA."

"For the VA to get into contention as a runner in this business of providing health care to the people out there, it's going to have to improve its image."

"They just have to change the way they do business in terms of looking at what is succeeding in other HMOs and other places and taking some of the stuff that private industry is doing to economize in the way they are delivering medical care to people and take some of those practices and transport it to the VA."

"I would try to make sure that my local administration had some kind of autonomy to service their [veterans] populations."

"To put it in perspective, [VA has] a bad reputation and a bad rap to deal with right off the bat . . . Nobody would pick them right now, all things being equal. Is the government going to put all that money in to build up all these facilities to compete with the others and then have nobody choose it? That is my question."

"We know the amount of federal funds that are spent on these VA and military hospitals today; how is it that the government can say that they can make these VA hospitals competitive with private industry . . . when they haven't done it already?"

Appendix VI
Veterans' Selection of VA Would Depend on
Shape of Health Care Reform and Extent of
VA's Changes

"They [veterans] would have to be guaranteed that the VA is going to upgrade its services. As long as the VA is funded by the government, we just don't have enough trust in the government to expect that to happen."

"I would not go to the VA if it became like an ordinary place . . . a one-size-fits-all institution . . . trying to provide services to everybody and cater to everybody's needs . . . I just don't think I would go there."

"They couldn't [attract veterans]. If the veterans were fully informed about what an HMO is, then the VA would just be another competitor. Some might choose, because of the name, . . . convenience, . . . location, but otherwise, they would simply be on the horizon with two or three others in a given community."

"[O]ne thing I would wonder about is how much assurance is there that the VA hospital system would continue to be in operation, readily available to veterans everywhere . . . I've watched Public Health Service hospitals get closed down; I've watched military hospitals get closed down, . . . every time that happens, if you've been a part of that system and have needed the care, you're left floundering for a while . . . I would be a little reluctant to go to another system where I wasn't really sure that maybe because fewer and fewer veterans were going into the system five years from now they might . . . close that down and you'd end up starting all over again from scratch trying to find somebody to take care of you."

GAO Contacts and Staff Acknowledgments

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**Appendix VII
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Related GAO Products

Veterans' Health Care: Use of VA Services by Medicare-Eligible Veterans
(GAO/HEHS-95-13, Oct. 24, 1994).

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