

## **"Planning for Eldercare" March 5 , 2008**

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### **The Best Health Care System in America**

It comes as a surprise to some people who had experience with VA health care during the 1970s and 1980s that this same system is now considered the best medical care in the United States. To illustrate this we quote below articles and comments from the several sources.

#### **BusinessWeek, July 17, 2006 "The Best Medical Care in the Nation How Veterans Affairs transformed itself -- and what it means for the rest of us"**

"To much of the public, though, the VA's image is hobbled by its inglorious past. For decades the VA was the health-care system of last resort. ... The huge system had deteriorated so badly by the early '90s that Congress considered disbanding it."

"Instead, the VA was reinvented in every way possible. In the mid-1990s, Dr. Kenneth W. Kizer, then the VA's Health Under Secretary, installed the most extensive electronic medical-records system in the U.S. Kizer also decentralized decision-making, closed underused hospitals, reallocated resources, and most critically, instituted a culture of accountability and quality measurements. "Our whole motivation was to make the system work for the patient," says Kizer, now director of the National Quality Forum, a nonprofit dedicated to improving health care. "We did a top-to-bottom makeover with that goal always in mind." . . .

#### **Robert Bazell, Chief science and health correspondent, NBC News Updated: 6:33 p.m. MT March 15, 2006**

"We report a story tonight that is going to turn a lot of heads. The Veterans Administration Health Care System, once famously known for horrendous medical care, now offers what many consider the best health care in the nation. I am sure we will hear from many of you who have had difficult times with care at the VA. That is understandable, because the improvement in the VA has occurred relatively recently and inevitably many people will be dissatisfied with their treatment at the hands of any medical provider."

"But here is the evidence. In a study two years ago a group of researchers from the RAND Corporation and several medical Centers found that 67 percent of patients in the VA system received "appropriate care" as defined by expert panels on medical practice. Two thirds sounds short of the mark, but in the current issue of the New England Journal of Medicine the same researchers report on a survey of the country that finds only 55 percent of Americans in general are getting appropriate health care. And that number does not vary much with the patients' level of education or income."

"In addition, a telephone survey last January from the University of Michigan found that VA patients rated their satisfaction with care at 83 out of a possible 100 points for inpatient care and 80 out of 100 for outpatient care. By comparison, the same survey found rates of 73 and 75 in the general population. Another indicator comes from the American Legion, which has been surveying its members and finding similar high levels of patient satisfaction."

"Indeed, the biggest complaint about the VA system these days is from people who want in. The VA provides unlimited care for service-related injuries and illnesses. but for other problems veterans must fall below a defined income level. As a result, patients at the VA tend to be poorer and sicker than the rest of the population, which makes the improvements all the more remarkable."

"What happened? The change began with Dr. Kenneth Kizer, who became undersecretary of health for Veterans Affairs in the Clinton administration and has continued in that role during the Bush administration. The VA changed its emphasis from hospital to outpatient care where possible. It also set up genuine prevention programs. As a result, people with conditions like diabetes get the simple measures that can save enormous misery and thousands of dollars in treatment costs. Every patient is assigned a personal physician and the mandate from headquarters is to treat veterans with the respect and dignity they deserve."

"The other big change was a massive shift to electronic medical records. At any VA facility in the country, a doctor or other health professional can access the records of any patient in the system, including lab tests, X-rays and chart notes that can be read easily. The electronic system challenges health providers who seem to be making mistakes, and it allows for a massive collection of data so the VA can know which treatments work and which don't."

"A big advantage for the VA is electronic medical records. The VA has the largest, and one of the most modern systems in the world. When a VA patient visits any facility in the country, the records are there. Indeed, after Hurricane Katrina, many VA patients received uninterrupted care even as they were forced to move."

"All of the information I need about any of my patients, including their X-rays and their tests, are always available, always accurate, always there in a legible form," says Gauge."

"The electronic records also allow the VA to track its performance — to quickly learn what works and what doesn't — providing what many say could be a model for health care nationwide."

### **A quote from Families USA**

"A report released Tuesday (December 2006) by the consumer group Families USA says Medicare's prices for seniors' most frequently used drugs are about 58% higher than those provided by the Department of Veterans Affairs."

### **Why the VA Health Care System Works so Well**

Actually it's not that VA is such a marvelous system since any large-scale organization employing over 200,000 people is bound to have its inefficiencies. VA simply comes closer to the mark of providing excellent care than the rest of the health-care providers in the country. One big reason is the veteran system does not rely on insurance reimbursements so money saved through efficient operation remains in the system and does not transfer to insurance companies. This type of operational structure encourages innovation and change.

However, being a single-payer health plan alone would not necessarily result in a better system. The outstanding reawakening of VA health care is largely a result of the vision and leadership of Doctor Kizer and his successor. Here are some of the operational advantages that make VA health care so successful.

As a government entity, the agency cannot be sued by patients who have been mistreated. This obviously saves the time and money involved in lawsuits. However, in order to be responsive to medical errors, doctor Kizer instituted the "Sorry Now" program that holds staff accountable for their actions and provides damage awards to patients.

Veterans who are part of the system have the opportunity to remain with the system throughout their lives. This allows VA to practice preventative medicine by scheduling regular checkups, performing regular lab tests and intervening before a medical condition becomes too advanced. The provider/contractor insurance reimbursement model used in the United States typically does not allow for this type of preventative medicine.

An electronic records system provides the opportunity to practice outcome based medicine which has become the Holy Grail of all health-care systems. The computerized records allow tracking outcomes for various medical conditions and finding those that work best. This weeds out expensive procedures that are no more effective than other less expensive ones. Prescriptions for medications are also tracked on the computer and potential drug interactions are avoided. According to studies, VA has the lowest drug interaction incidents and deaths in the country

The electronic records also prevent duplication of expensive medical tests. Some surveys indicate that, 60% of the time, private sector providers order duplicates or triplicates of the same test. This is because paper records make it difficult or almost impossible to track tests between different care providers. Even in the same hospital, estimates are that one out of five tests are unnecessarily reordered.

Finally, electronic records help the veterans health system to maintain a more cost effective and smaller drug formulary. Fewer categories of drugs allow VA to negotiate with drug companies for larger quantities at a lower price. If an existing, less expensive drug is proven through electronic records computer data to be just as effective as newer more expensive medicines, then obviously the older medicine will be favored.

Proponents of the new Medicare drug plans criticize VA for limiting drug choice to only about 1,300 medications where some Medicare plans allow 4,500 different drugs or more. VA would probably argue that such a wide choice is unnecessary and that many newer more expensive drugs are simply analogues of less expensive versions that have been around for a long time.

Cost of overhead and administration is another issue that makes VA a better system. Our country's private insurance model results in insurers eating up a great deal of their premium income in unproductive overhead costs. It is estimated that private insurers spend anywhere from 20% to 30% of their premium income on advertising, agent commissions, insurance administrative oversight costs, expensive claims and records tracking systems, taxes, profit, and dividends for shareholders. VA has none of these additional cost burdens except for administrative costs associated with maintaining the system.

There is also evidence that the morale of employees in VA hospitals and outpatient clinics is especially high because of the pride those employees take in providing quality care. Motivated employees can be a major factor in providing care more effectively and more efficiently thus saving money. For more information on veterans benefits go to the National Care Planning Council at [www.longtermcarelink.net](http://www.longtermcarelink.net).