



Can veterans really get better care outside the VA?

“I doubt that veterans are aware of the privatization at all, just as I don't think many Americans understand the privatization of Medicare and Medicaid programs. It's something that is not covered well enough by the media.” - Wendell Potter

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Welcome to Code WACK!, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, Brenda Gazzar.

(music)

This time on **Code WACK!** How is the **Department of Veterans Affairs** becoming increasingly privatized and what could this mean for those who have served and sacrificed for our country? How is this affecting the financial viability of the VA -- and what can be done to stop it? To find out, we interviewed **Wendell Potter**, a former health insurance industry executive turned whistleblower, the New York Times bestselling author of [Deadly Spin](#) and the president of the [Center for Health and Democracy](#). He's also the author of the Substack newsletter [HEALTH CARE Un-covered](#), where he recently penned a post entitled “Privatizing the VA: The Unseen Costs to Veterans and Taxpayers Alike.”

Q: Welcome back to Code WACK! Wendell. Today, we're going to talk about veterans. How have veterans in the United States historically gotten their health care and how does it fare compared to private health insurance?

Potter: The VA's hospitals and the doctors who are part of that, the facilities that are a part of that have really served our vets very well over many years. There have been some issues over recent years in which we've seen some published reports in which there was not enough capacity and the hospitals were not as resourced as they should be. What we saw as a consequence was legislation that was passed that created privatization of the VA, not total but creeping privatization, and we're seeing more and more evidence that that was misguided.

Whenever you bring private insurers and private facilities into the mix, you're going to be adding to the cost 'cause when you talk about insurers in particular involved in this program, they're going to be seeking as much profit from the VA as they possibly can get. Sadly, just this misplaced belief that the private sector can do a better job than the government in anything and that includes health care and it includes the VA system. Again, it was a reaction to adverse publicity about the VA, but it was misguided and has led to even greater expense and more problems [for] veterans than would otherwise have been the case.

What should have been a I think a more prudent response is for the federal government to provide additional funding to the VA to alleviate any backlogs or any problems that they have, rather than inviting private insurance companies into the program or private facilities in the program, because they're gonna going to wind up grab[bing] as much of the pie as they possibly can. So we've got a situation [where] veterans are facing problems getting care or having to pay a lot of money out of their own pockets.

Wow. I didn't realize that the creeping privatization of the VA was due to the problems that were publicized several years ago.

Potter: Largely in Arizona as I recall, and that was where a lot of the published reports came out of. And so there was just a knee-jerk reaction that our VA facilities are inadequate, so let's supplement them with private facilities and get

private insurance companies involved in the mix in some way. It hasn't turned out well.

Q: Wow. Yeah. So how is this affecting veterans' quality of care and their health outcomes?

Potter: We're finding that if a veteran accesses the private system, they're subjected to the same restrictions that people who are not veterans often encounter. That means that often [their] doctors are second guessed. They may not get the care that their doctor says they need, or it could be delayed, or they could have to pay a lot of money out of their own pockets if they urgently need something and they're facing this delay. A lot of people don't realize they have the right to appeal a denial, but sadly because people don't understand their rights or think it will be too time consuming, they don't know how to go about it or it'll be futile, they just don't give it a try. And so consequently, a lot of people and now including veterans, are not getting the care that they need. They're not appealing denials and they're going without the care that they need, or they're saying, 'I'll just try to pay out of pocket or figure out how I can get the care that I need.' And so it's a horrible situation for a lot of the vets who've accessed the private sector for care. When they could be eligible, if they used a VA facility, they wouldn't be facing these barriers.

Q: Got it. Do veterans have a choice whether they want a private plan or are they forced to use a private plan somehow?

Potter: If they are given that option, in many cases they will think maybe I can see a doctor sooner if I access a private physician or someone in private practice without realizing the consequences – the possibility of getting a delay or a denial or an out-of-pocket expense.

Q: And what does the research say about vets receiving care in the VA system versus outside of it?

Potter: The research has shown that vets get high quality care and it's important to note too that the VA operates in a sense like a single-payer healthcare system – closer to the system in the UK for example, the VA owns hospitals, employs,

doctors, and has a program that enables vets to get their prescription medications at a far less expense than civilians do. That's been in place for a long time. We've had this debate for many years about allowing the Medicare program to negotiate with drug companies for lower prices. The VA has been able to do that for decades. It is a very different system that has worked very well, but occasionally you'll have a hiccup, a glitch. You'll have a facility that has not been able to meet demand and as we've seen, some bad publicity usually results when that happens. But the overall VA system has been revered and has provided vets with high quality care for many decades and very cost effectively.

Q: And don't studies show that veterans receive higher quality care within the VA system than through the private sector?

Potter: Yes. Studies have shown they get high quality care, often higher quality care through the VA program than they do in the private sector. It doesn't surprise me a bit, but sadly, when there is one or two episodes of things going awry, the media doesn't cover things that go well. They cover those instances when something goes amiss, when there is a problem and that colors people's opinions and it creates the impression that there's some kind of a crisis going on, and it was isolated to a few places. There's no doubt the VA program could use some additional funding. Certainly, during times when we've been in conflict and we've had our men and women in service who've been injured or who need care. It's a vital program that has saved the lives of many Americans over the years and has been a place where our vets have received high quality care in many cases, higher than they would receive in the private system. That's a reality. But in many cases, the reality has been blurred or obscured by negative press that has shaped people's opinions in one way or another.

Yes, unfortunately, the context isn't always given. I was a reporter for many years and when you're on a tight deadline, you only have so much time to get an article out.

Potter: We both have been in journalism and former reporters, and we understand that. And the public is not necessarily wanting to read that 'there were no traffic accidents on the expressway today.' That doesn't make for a good story. Okay. So you don't hear about the things that go smoothly. You only hear

about the things that don't go well, where there's a problem of some nature and it is not necessarily a failing of journalism, it's just the reality of the way journalism works. But it is a problem in that, as you said, there often is not the context in a story for readers or viewers to understand what we're talking about here.

Q: So how is the increasing privatization of the VA affecting its financial stability?

Potter: The increasing privatization of the VA is causing a financial problem for the VA because more and more available resources are being diverted to the private sector, and that's robbing the VA of needed resources. It was, in my view, a very shortsighted decision and a reaction to some isolated problems in the VA that has created even greater problems. And it is challenging now the VA at a time when a lot of the resources that it needs are being diverted to the private sector.

Q: Are veterans aware that this privatization is happening?

Potter: I doubt that veterans are aware of the privatization at all, just as I don't think many Americans understand the privatization of Medicare and Medicaid programs. It's something that is not covered well enough by the media. So I would imagine that probably a lot of veterans would view being able to access for going outside of the VA program and still get VA benefits as being a positive without understanding the disadvantages to the overall program and possibly to their own health. So I would say probably not. There hasn't been a lot of media coverage of this, and our lawmakers are not as well informed as we would like them to be. In many cases, advocates are not aware either or not as active on this issue as I wish they were.

Q: Yeah. What do you think can be done to increase awareness and maybe stop privatization of the VA?

Potter: More and more advocates need to spend time with lawmakers and staff to educate them. This is part of blocking and tackling when it comes to public policy. It is not enough to just say that we need to go to a single-payer system, for example, or to have Medicare for All for everybody. We've got programs like the VA that are doing a good job that need to be protected. We have the Medicare program, it's been around for more than 50 years. It's doing a good job. It needs

to be protected. Both need to be strengthened. So we need to advocate for improving those programs and educating our lawmakers and staffs about the shortcomings of creeping, if not accelerating, privatization of our public programs.

Q: And what about awareness among the public? Do they have any?

Potter: Sadly, there's just not awareness among the public. And I know that includes among veterans who have any idea of the shortcomings of accessing the private system. And most people with private insurance don't understand it either. We go year after year and most of us [are] in reasonably good health without testing the limits of our health insurance and then when we get chronically ill, or when we have an accident, we find out what those limitations are and sadly, in many cases it's too late because we will find that our doctors are being second guessed. In many cases, we're not gonna be getting approval for care that we need, or we're gonna have to pay a lot out of our own pockets to get it. It's a maddening situation, but I have no doubt that veterans are clueless about what the risks are of accessing the private sector for care that they need as an alternative to getting their care within the VA system.

Yes, and what's devastating about this is these are the people who have risked their lives for their country and sacrificed so much. Maybe they were injured, maybe they suffer from PTSD. Many gave so much of themselves to serve our country.

Potter: Exactly. It's especially sad because these are men and women who have sacrificed in so many ways – made huge sacrifices with their health and need care. And it could be medical care or mental health/behavioral health care, because our veterans in, certainly when they're in conflict, they often have PTSD and many things that occur that are specific to being in combat or offering yourself up for service to protect our country, and then to subject them to a private sector healthcare system that is wasteful and profit focused, and as a consequence of that, more likely to refuse to cover the care that they need.

It's a shame. It's inexcusable and it is something that I wish more people were aware of and I can't thank you enough for making this a topic to talk about 'cause

people do need to understand that all of our public programs are being privatized to one extent or another.

And if you think about all the public programs serving the most needy, they're the most vulnerable segment of society, whether it's the elderly or the severely disabled or the poor or veterans. These are our most vulnerable people [who] are being affected.

Potter: That's true. And I think that makes it even more reprehensible and egregious that we are allowing these big corporations to profit in the ways that they are profiting and that one of the ways they profit is by denying needed care.

Q: Wendell, was there anything else you wanted to say about this issue of veterans and increasing privatization?

Potter: I encourage people who are advocates for healthcare reform to become more educated about the VA and the problems that are associated with privatization of the VA program, as well as Medicare Advantage and the Medicaid program. People just need to know more than they do, I think, about how private industry is seeing that these public programs are a big cash cow and they're profiting from it. And sadly, veterans and others who are the most vulnerable in our society are paying a very steep price.

Q: You mentioned how important it is for lawmakers to be aware of what's going on with privatization. But is that enough or is the health insurance lobby too powerful so even if lawmakers did know about it, they wouldn't be apt to make the necessary changes?

Potter: There's no doubt the healthcare lobby broadly is extraordinarily powerful, well resourced, but sometimes David wins in a fight with Goliath. And so I think we've got to figure out how we can be successful. Successful Davids in fighting these giants. Don't give up. Don't lose hope, and don't be foolish to think that it's gonna be an easy thing to do because they like making this money. But unless we stay in the game and figure out how we can be effective, I'm hopeful. I don't think it's too late. I think that more and more people are waking up to the harms of privatization of our public programs.

Thank you, Wendell Potter.

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