On Privatization of the VA
From a VHPI blog

The P word has become a powerful one in Washington. That’s because P for Privatization of the Veterans Health Administration is hugely unpopular among veterans. As polls have documented, vast majorities of veterans oppose the dismantling of VHA. They experience the reality that the many studies document – VHA care is equal or superior to that delivered by private sector providers. Which is why most veterans want the VHA to be improved and strengthened not dismantled.

Veterans concerns about the VHA are not, however, matched in Congress, where both Democrats and Republicans voted to pass the VA Mission act. The new law will outsource more and more VHA care, enrich private sector hospitals and, doctors and insurance companies, starve the VHA, and lead to staff layoffs and even facility closures. Current priorities are already leading to cuts services, and restrictions on eligibility, and the creation of a toxic managerial environment within the agency.

Everyone who voted for the VA Mission Act insists that they were against “privatization.” Senator Jon Tester, who shepherded its passage even claimed that quote “Robert Wilkie, President Trump’s nominee for Secretary of the Department of Veterans Affairs, is also a staunch proponent of privatization who insists he is opposed to privatizing the VA”.

Military Times reporter Leo Shane, In an article on Wilkie’s Senate hearing explained this apparent contradiction.

“the term has become an ill-defined pejorative within the veterans community, meaning different things to different groups.”

With all due respect to Leo Shane, there is nothing ill-defined about privatization in general or the goals and tactics of those who are trying to privatize the VHA in particular. Privatization, as sociologist Paul Starr has written is “any shift of activities or functions from the state to the private sector; from the state to the private sector; any shift of production of goods and services from public to private; including the wholesale of transfer of services from the public to the private sector or what Starr calls “privatization by attrition,” as furnishing costlier private-sector services lead to an underfunding of public ones.

Most privatizers are too smart to actually promote the outright sell off of government facilities and property to the private sector, so they favor a salami strategy, which Nancy MacClean outlines in her excellent book Democracy in Chains. The book traces the history of libertarian privatization movement funded by billionaires like the Koch brothers and the theorist they funded, James Buchanan. In it, MacLean’s analyzed Buchanan’s strategy to attack the highly popular Social Security program.

Rather than attacking Social Security head on, Buchanan insisted, the privatizers should offer a “patchwork of reforms” that would tantalize beneficiaries and fracture the groups that ordinarily supported the public program.

Included in the strategy was starving the public system of resources and creating a series of crises that would then be broadcast in the media. With the system delegitimated, its beneficiaries –when facing reduced benefits or changes in eligibility would be “less likely to feel that something good is being taken from them.” They will also be more likely to buy into the promise of greater choice and freedom. and will view the increased outsourcing of their care to enhance the bottom line of private corporations as something to be desired rather than feared.

Rather than blaming broader social and political policies for any problems the public sector experiences, these problems are blamed on public sector employees and their unions – which must be held “accountable” and whose power must be diminished. Ironically, Starr and other critics point out, the privatization movement decreases accountability and oversight of services currently delivered by the private sector by directing
attention to poor government performance while deflecting attention from similar flaws in the private sector.

And finally, the privatizers recruited private sector partners who would benefit from the end of the public program and serve as allies and funders of the privatizing movement. “Backers of change would be better positioned to take advantage of any crisis in the system. “

In the case of the VHA we have seen each and every one of these tactics followed to the letter. A crisis, the Phoenix wait time “scandal” was promoted by the Koch brothers funded Concerned Veterans for America, and broadcast by a credulous media. Although the Phoenix problems occurred in 2014, the media continues to seek out more bad VA stories while failing to report on its many successes. Utilizing these scandals, and promises of pseudo-reform, the privatizers have shattered the unity of groups that traditionally support the VHA (in this case Veterans service organizations and Democrats). Private sector interests have lined up to benefit from the destruction of the VHA and are entering into much celebrated “partnerships” with the agency.

As we’ve seen with the VA Accountability Act VA employees are subject to continual condemnation. Lower level employees are fired, unions demolished and a toxic managerial environment dissuades people from speaking up about patient safety or workplace problems or make suggestions for much needed innovation. Just as Paul Starr predicted in 1988, Congressional calls for more accountability, transparency, and regulation of the VHA are accompanied by increased Congressional efforts to limit accountability, transparency and regulation in the private sector. In the latest example of this one-sided concern for the public welfare, Congress recently deregulated the for profit nursing home industry, while Congressional representatives like , argued for more accountability and oversight of VHA nursing homes that are far superior to their largely for-profit counterparts.

As a result of this relentless pursuit of profit, the VHA risks being hollowed out with more and more care is outsourced.

When Leo Shane reports that, “About one-third of all medical appointments paid for by VA last year took place in hospitals and clinics outside its own federal system. That number is expected to rise as the department implements a new community care overhaul in the next year, allowing veterans more access to private-sector appointments at VA’s expense.” What he is describing is not ill defined at all. It is the essence of privatization. And Anyone who supports or advances this spectrum of activities is, in fact, helping to privatize the VHA.

It is crucial that veterans, their families, and all Americans understand that privatization is not some “ill-defined,” and obscure set of tactics and strategies. Nor is it an inevitable response to system problems. Just as the Koch Brothers and their billionaire supporters have tried to privatize the public schools, end social security, and attack Medicare and Medicaid, programs from which veterans also benefit, they have outlined a clear strategy to privatize the VHA. Call it what it is, and privatizers cannot hide behind a veil of reform and those who value our public system.