

## THE TRANSPARENCY IN COST OF VETERANS CARE ACT

Senator Patrick Leahy (D-Vt.) has introduced the Transparency in Cost of Veterans Care Act, which will ensure that the expenses of temporary off-site care are also calculated and reported, allowing the Department of Veterans Affairs to make the best decisions with respect to veterans' care based on the true costs of alternatives.

*“Current law provides a disincentive to cost-effective, on-site medical care solutions when operating rooms are refurbished or rebuilt within a VA hospital or care facility. Because the VA must report any major medical facility costs exceeding \$10 million to Congress, the VA is encouraged to pay for veterans' care at outside facilities, including travel to and from those facilities, out of the Medical Services Account -- a different pot of money from that used for medical facilities -- so as to avoid triggering the need for an extensive report.*

*“But the best solution for veterans and the bottom-line may very well be a temporary on-site facility or short-term repurposing. This bill is simple, but attempts to take the allure of a shortcut away by ensuring that the expenses of temporary off-site care are also calculated and reported. That would allow the VA to make the best decision based on the true costs of alternatives. This in turn will ensure that the funds in the Medical Services Account are truly used for medical services for veterans.”*

*– Senator Patrick Leahy*

### The Transparency in Cost of Veterans Care Act will incentivize cost-effective care for veterans.

- Problems of backlogs and increased wait times for medical care for veterans have increased pressure on Veterans Affairs employees to address veterans' needs as quickly and cost-efficiently as possible. That some VA employees have used short-cuts to try to hide rather than solve delays does nothing to address timely or cost-effective care for veterans. **Short-cuts to proper care for our veterans cannot be tolerated.**
- Under current law, any “Major Medical Facility” -- one that costs over \$10 million -- requested of Congress must be accompanied by submission of a prospectus that includes detailed costing, data on intended facility use, and prioritization within the entirety of the VA budget. **But short-cuts to get around this law intended to reduce waste and increase oversight are actually increasing waste and decreasing oversight.**
- Rather than incentivizing the identification of the most cost-effective means, current practice encourages VA employees who want to avoid triggering congressional notification associated with a \$10 million expense – including construction or refurbishing of operating rooms and other such facilities - to use Medical Services funds that do not count against the \$10 million to send veterans to other hospitals sometimes at greater additional expense to the VA and travel burden to veterans.

### The Transparency in Cost of Veterans Care Act will promote reporting and transparency in true costs of care.

- There is currently no reliable measure of the additional expense of sending veterans to facilities outside of the VA network, because it is been paid out of individual VA facility medical accounts. There is no way to evaluate how much impact this shell game has had on Medical Services that would otherwise be provided to our veterans.
- The Transparency in Cost of Veterans Care Act will close this loophole and provide proper accounting for the true costs associated with outsourcing veterans care in order to make sure the Medical Services account depleted by these costs. In turn, by allowing the lease or purchase of temporary or mobile medical facilities, care for veterans can be expedited and kept local.