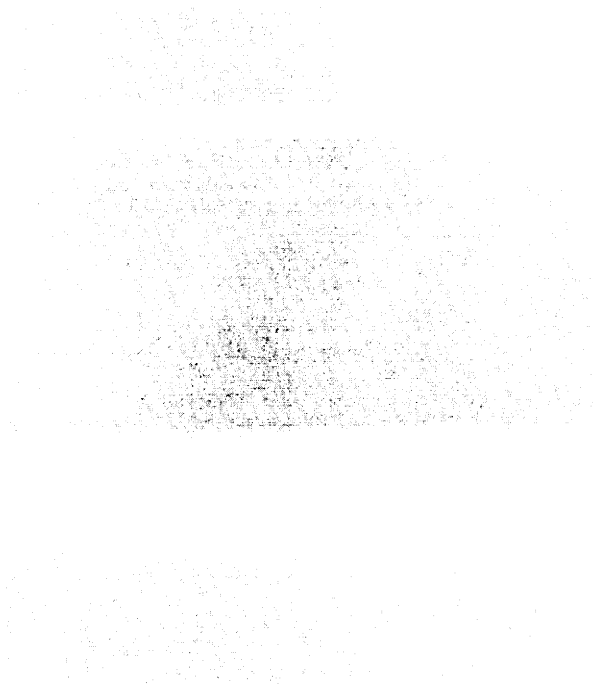
Chapter 2

The Veterans Administration and Health Care: An Overview



Chapter 2

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The Veterans Administration (VA) provides a broad range of services for veterans and their dependents. These benefits include compensation payments for service-related disability or death, pensions based on financial need for totally disabled veterans and certain survivors of veterans for non-service-related disability or death, education and rehabilitation, home loan guarantees, burial, and–most importantly for this study—free or subsidized hospital, ambulatory, and extended medical care, including nursing home care, to eligible veterans.

VA health care is administered by its Department of Medicine and Surgery (DM&S), which had a budget of $8.1 billion in fiscal year 1983. [1] Title 38 of the U.S. Code (sec. 4101) provides that the functions of DM&S ". . . shall be those necessary for a complete medical and hospital service, including medical research . . . [and] to carry out a program of training and education of health service personnel, acting in cooperation with schools. . . . " Thus, DM&S has a three-part mission of patient care, research, and education (150). DM&S is administered from the Central Office in Washington, DC, and is headed by a Chief Medical Director. Specific areas of patient care and program function, such as rehabilitation medicine, surgery, radiology, and medical research, are termed "Services" and are under the Central Office guidance of Service Directors. An organizational chart is shown in figure 3.

[1] The budget was $6.96 billion in fiscal year 1981 and $7.59 billion in fiscal year 1982. These figures include construction, research, and administrative costs, which together account for less than 10 percent of all hospital and medical care expenditures (97).

HISTORICAL PERSPECTIVE

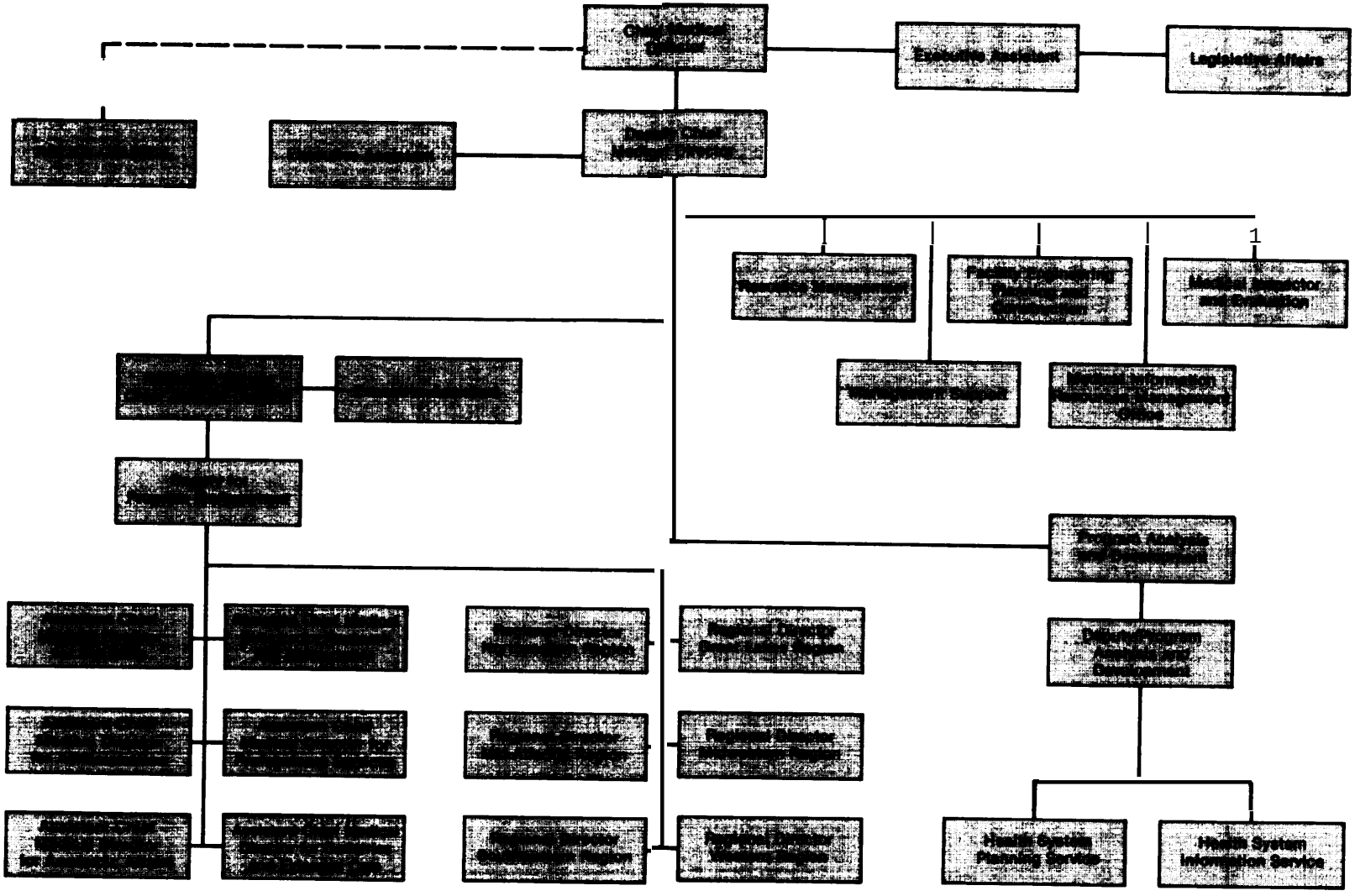
Federal programs for veterans date to the Revolutionary War. Until early in this century, however, they were almost exclusively pension programs; what medical and hospital care was available was provided by States or communities.

The VA medical program evolved through a series of legislative enactments during and after World War I. The war added nearly 5 million people to the Nation's veteran population, and new programs were required to meet their many needs. In 1921 Congress created the U.S. Veterans Bureau, which consolidated the functions of several agencies that had been administering veterans' programs. The veterans' hospital system was created in 1922 when 57 Public Health Service hospitals were transferred to the Veterans Bureau. The system was constructed rapidly for the many World War I veterans with service-connected injuries. Within a few years, however, the number of service-connected cases were no longer sufficient to fill available bed space. As a result, in 1924 Congress passed legislation expanding eligibility for hospitalization benefits to encompass indigent veterans with non-service-connected health needs.

This pattern was repeated after World War II: after the immediate needs of the war's veterans were met, the system again had excess capacity and the process of expanding the scope of medical benefits continued. In recent years most VA hospital patients have been treated for problems unrelated to military service. Over the years the

[2] Except where noted, this section is adapted from U.S. Congress, Congressional Research Service, ***Medical Care Programs of the Veterans Administration*** (Report No. 83-99 EPW, Washington, DC, May 16, 1983).

Figure 3.—VA Department of Medicine and Surgery



SOURCE: U.S. Veterans Administration, Department of Medicine and Surgery, Office of the Chief Medical Director, Washington, DC, Oct. 1, 1982.

VA's medical role has grown in four general directions:

- providing more health care to veterans with non-service-connected disabilities,
- providing a greater range of health care services,
- training health care personnel and conducting medical research, and
- providing some services to certain non-veterans.

Another major development in VA medical care after World War II was the affiliation of VA hospitals with medical schools. In the 1920s and 1930s the VA hospital system had become somewhat isolated from the professional medical community. VA affiliation with medical schools was viewed as a way to overcome this isolation and improve the quality of care for veterans. Public Law 79-293, which established DM&S within the VA, authorized the affiliation program. On balance, these affiliations appear to have been beneficial to all concerned. The Nation's veterans have had better care, and the Nation's doctors have been better educated (62).

The VA now provides most of its health care services in VA hospitals, domiciliaries, nursing homes, and outpatient clinics. In addition, under current law, the VA may contract for medical care in government or community facilities, but only if care either cannot be provided or cannot be more economically provided in VA facilities. In 1981 the VA contracted for nursing home care in 2,900 community nursing homes and subsidized care on a limited per diem basis at 44 State veterans' homes, including hospitals, nursing homes, and domiciliaries. Noninstitutional care is also provided for veterans through hospital-based home care programs, geriatric day care centers, and residential care programs.

VA HEALTH CARE SERVICES[3]

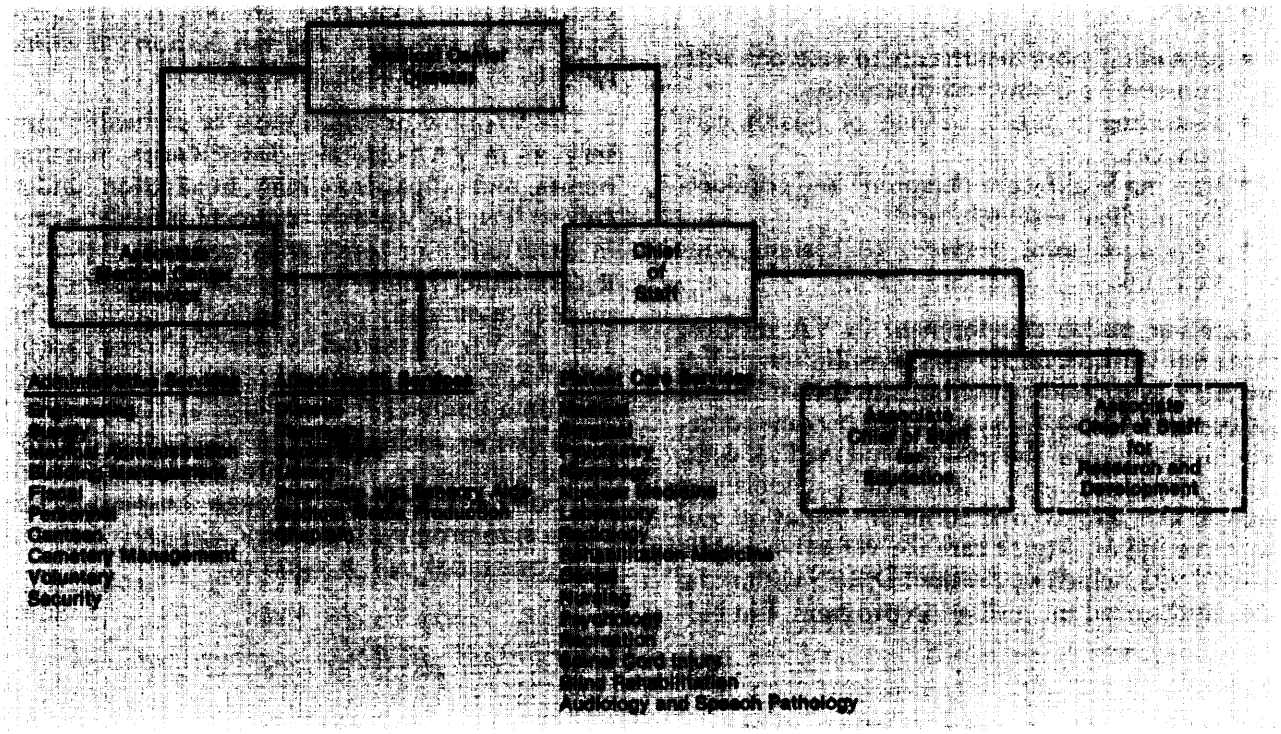
Acute Care Services

Acute care services are provided mainly in VA hospitals, or medical centers, which are the primary source of medical care for veterans. In fiscal year 1981 about 1.25 million patients were treated in VA hospitals, 1.22 million in medical and surgical beds and 206,000 in psychiatric bed sections; only about 30,400 were treated in non-VA hospitals at VA expense. VA hospital care includes skilled medical and surgical procedures and intensive diagnostic and therapeutic services (fig. 4). The quality of VA hospital care is generally thought to be enhanced by the affiliations of most VA medical centers with medical, nursing, or dental schools.

The number of VA acute care beds has declined over the last several years. The VA operated an average of *82,079* hospital beds during 1981, compared to more than 97,000 beds during 1973. Many changes in the VA system have led to the decline in total hospital beds, notably a decline in the number of psychiatric hospital beds. Medical and surgical beds have also been closed because of shorter lengths of stay and shifting patients to outpatient care. Recent legislation *requires* the VA to operate at least 90,000 total hospital and nursing home beds (Public Law *97-72)* and to have sufficient beds in readiness to support the Department of Defense in times of declared war (Public Law 97-174).

[3]This section is adapted from U.S. Congress, Congressional Budget Office, ***Veterans Administration Health Care: Planning for 1990 (Washington, IX,*** February 1983).

Figure 4.—Medical Center Hospital



SOURCE" U S Veterans Administration, VA Organization Manual M-00-1, Change 11, p X-74 (Washington, DC, July 30, 1981)

Long=Term Care Services

The VA provides both institutional and noninstitutional long-term care services. Institutional services include those of the 101 nursing home units associated with VA medical centers and those provided in community nursing homes, State veterans' homes, and domiciliaries. Noninstitutional care consists of monitoring the health of patients in their own homes, in congregate (group) homes, and at day care centers. Special programs begun in recent years support noninstitutional care, such as hospital-based home care and geriatric day care.

VA Nursing Home Care

The VA nursing home units provide the most highly skilled and most intensive extended care after hospitalization, with no time limits. In 1981 the VA operated an average of 8,700 nursing home beds. Most VA nursing homes are almost filled: in fiscal year 1982, 54 of 98 VA nursing homes had occupancy rates above 9S percent.

Community Nursing Homes

The VA also contracts per diem for skilled nursing care at regularly inspected community nursing homes. Over 28,200 veterans were cared for in these homes in 1981. According to the VA, veterans are usually placed in such homes when they do not require the level of care provided in VA nursing homes.

State Veterans' Homes

State veterans' homes are facilities established by the State for medical and residential care of veterans. Two VA grant programs support State

veterans' homes. A per diem program helps the State provide hospital, nursing home, and domiciliary care to veterans. Another VA program contributes to State construction of new domiciliary and nursing home facilities and expansion and remodeling of existing facilities. The VA subsidized care in State homes for over 24,700 veterans in 1981.

VA Domiciliaries

Domiciliaries, the forerunners of the VA programs, date from legislation in 1866 that established Soldiers' Homes for disabled veterans. VA domiciliaries are usually located in the complex of VA medical centers. Veterans placed in domiciliaries must be service-disabled or permanently disabled and unable to support themselves. Their health often requires some monitoring although not so much as is provided in skilled nursing homes. In 1981 the VA provided domiciliary care for over 14,800 persons.

Hospital-Based Home Care

The VA helps patients with residual disabilities to remain in their own homes. Patients and their families are given appropriate instructions in routine nursing procedures, supervised by a hospital-based treatment team. The team includes a physician, public health nurse, social worker, rehabilitation therapist, and other specialists. Frequency of home visits depends on the patient's needs and treatment plan. In 1981 teams at 30 hospitals served 5,600 patients, one-fifth of them terminal cancer patients.

Geriatric Day Care

Although several related VA programs are in operation~the day care program is a new VA project in which older veterans are helped to return to their own homes. Under day care programs, veterans continue in rehabilitation at community centers or outpatient clinics under VA auspices. Model programs are in operation at the Chicago and Boston medical centers and in a community near the Loma Linda, California, medical center in coordination with The American Legion.

Ambulatory Care

The ambulatory care and outpatient clinical programs are vital in the VA health care system as an alternative to hospitalization. The VA operates mental hygiene clinics and day treatment centers for psychiatric patients. Clinic services are also used for care prior to and after hospitalization. Outpatient clinics also help control chronic conditions, such as arthritis, hypertension, and diabetes, that are often associated with aging. In 1981 more than 15.8 million outpatient medical visits were made to VA staff and 2.1 million visits were made to private physicians funded on a fee-for-service basis by the VA.

Other Services

The VA also operates other outpatient programs to supplement its main hospital and nursing home services. For example, dental care is given to eligible veterans and the VA considers it a necessary service for the total care of patients in acute care or long-term care facilities.

In addition, the VA established Geriatric Research, Education, and Clinical Centers (GRECCS) for the growing number of elderly veterans. There are currently eight such centers, although 1!5 are authorized by legislation (Public Law 96-330). GRECCS are located at VA medical centers and use the research and clinical activities of affiliated medical schools. One goal of the program is to train new geriatric practitioners, teachers, and researchers.

The growing aged veteran population is a major concern of the VA. By 1990 practically all World War II veterans, now 12 million persons,

will be 65 or older. Although most will be eligible for free VA health care, only about 2 million are expected to apply for such health care, ineluding 400,000 service-disabled veterans. The VA proposes to construct additional nursing home beds and should have more than 13,000 after 1987. If this number is insufficient, the VA may rely on alternative sources such as community or State nursing homes.

THE VETERAN PATIENT POPULATION

The VA provides health benefits only to the eligible population. Those eligible are primarily veterans with service-connected disabilities, those discharged from active service because of illness or injury incurred or aggravated in the line of duty, former prisoners of war, those exposed to Agent Orange in Vietnam, veterans 65 or older, and veterans unable to pay for their medical care. (Eligibility for VA health care is discussed further in ch. 6.) Although seldom required, VA facilities can also provide medical care to members of the Armed Forces, dependents or survivors of service-disabled veterans, and other non-veterans for humane reasons or emergency care.

There are approximately 30 million veterans, of whom 98 percent are male. Forty percent are World War II veterans, now in their 50s and 60s. Only a small number of all veterans however, are currently served by the VA health care system. About 3 million veterans—10 percent of the veteran population—used VA services during 1981. Most veterans use community facilities and services for medical care, presumably because these veterans have sufficient public or private health insurance or prefer the proximity of non-VA facilities. Veterans receiving VA care have health insurance less frequently than those receiving non-VA care.

Most VA services are provided to veterans with service-connected disabilities or to low-income veterans without insurance. In fiscal year 1982, 34 percent of the applicants for VA medical care were service-disabled veterans; such veterans apply for care six times more frequently than other veterans. Service-disabled veterans are more likely to need greater medical care, particularly the specialized care offered by the VA, and have priority by law.

A significant part of VA health care is given to and requested by the aged. Aged veterans apply for VA care twice as often as younger veterans, accounting for almost 20 percent of applications. In 1981, 17 percent of veterans aged 65 or older applied for medical care at VA facilities, compared to only 8.5 percent of veterans under 65. In the same year, the VA funded medical or health benefits for over 798,000 veterans 65 or older; one-fourth of patients discharged from VA hospitals —about 236,800—were 65 or older.

'This section is adapted from U.S. Congress, Congressional Budget Office, ***Veterans Administration Health Care: Planning for 1990*** (Washington, DC, February 1983).

VETERANS' SERVICE ORGANIZATIONS

Veterans' service organizations play a significant role in the VA's delivery of health care, including medical devices. The major organizations —The American Legion, the Veterans of Foreign

'This section is adapted from S. C. Farrow, A. D. Kaluzny, and T. Ricketts, "Proceedings of a Conference on Health Services Research Issues in the Veterans Administration, " J. ***Medical Systems*** 5(1/2):1-16, 1981. For further information on veterans' service organizations, see app. B.

Wars, and the Disabled American Veterans—are all powerful influences both locally, where they are involved in a variety of activities, such as community programs for youth, and nationally, where they serve their members in the political arena. Some organizations represent specific disabilities, some particular conflicts, and others ethnic and religious affiliations. Thus their interest groups sometimes overlap.

Through their local chapters, these organizations significantly influence VA hospitals. The groups provide hours of volunteer work offering support and advice to patients and their families, Occasionally, they strongly pressure a hospital director to support a particular policy. Local hospitals are sensitive to such pressure and respond to inquiries and complaints. Although veterans' service organizations are not always involved in planning, they are consulted at times, particularly about reducing services or changing bed designations.

Nationally, these organizations attempt to affect legislation, notably proposals to reduce services, although occasionally they lobby for new services, such as drug treatment centers for Vietnam-era veterans.

The opinions of veterans and veterans' organizations about the VA and medical devices are examined throughout this study and in detail in appendix B. This chapter has provided a brief overview of the VA's health care system and the population it serves. The next four chapters examine VA programs and activities bearing most directly on the development and use of medical devices.