POLICY BRIEF

Designed to Fail: The VA's Inability to Fulfill its Moral Responsibility

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EXECUTIVE SUMMARY

The Department of Veterans Affairs (VA) provides for veterans in return for their service and their ability to do so relies on their relationship with the veteran population. However, its inability to evolve, structural imbalance, outdated benefits, exclusionary practices and shifting internal rhetoric are primary contributors to its consistent failure. Over time, the VA has expanded its services in response to the needs voiced by veterans, though it has done so without considering how best to incorporate the new with the old, resulting in duplicative work and lack of communication throughout and across its administrations. This has resulted in a well-documented legacy of insufficient and inadequate services which ultimately harms veterans and hinders the VA's capacity to support their transition into civilian life.

Recognizing its inadequacies, the VA has since perpetuated an unsuccessful iterative process of restructuring to improve its efficiency at the expense of its quality. By valuing efficiency above all else, the VA suffers internal conflict between its assumed value-neutral position and its core values of commitment and loyalty to veterans.[1] This is seen in the minimal efforts made to intentionally elicit the perspectives, experiences, and feedback of veterans, dependents, and their families to better inform their services and programs, which contributes to the underutilization of VA services. In its continued efforts to improve its efficiency, the VA has recently integrated the approach of 'customer experience' (CX), an approach normally applied within business frameworks.[2] CX is predicated on a clinical relationship, and by adopting this approach the VA has equated 'veterans, service members, and dependents' to 'customers, consumers, and clients,' inherently redefining veterans as no longer deserving of the benefits it provides. The VA's inability to address veterans' needs in real-time, combined with the growing and increasingly diverse veteran population who will soon be treated as customers will result in many of those the VA is intended to serve to continue to be excluded and harmed by this system.

THE COST OF PRIORITIZING EFFICIENCY ABOVE ALL ELSE

The VA was created in response to the needs of veterans, meaning it has always been reactionary rather than proactive. As a result, veterans have experienced a delay in having their needs addressed, which indicates that the VA has never been able to fulfill its mission. This delay or inability to address veterans' needs has contributed to the VA's reputation and legacy of failure, consisting of unsuccessful attempts at restructuring that have either been superficial or misguided. The lack of effective changes has meant veterans and dependents have continued to experience inadequate and insufficient services. A prime example of this being the VA's emphasis on health care services and benefits above all others, despite the diverse needs of veterans. This prioritization demonstrates the VA's limitations in addressing non-health related needs even when they are integral to successful transitions into civilian life.

Also contributing to its failure is the VA's exclusion of the voices that truly matter when setting its priorities, values, and efforts. Though the VA's ability to operate as intended depends on its relationship with veterans, the VA's leadership, current administration, leading politicians, and vested interest groups tend to provide the most influence. The lack of a centralized, formal role for veterans and their dependents is in direct conflict with the VA's purpose and mission. This conflict is reflected in the underutilization of VA-provided benefits which indicates that these services are either inaccessible or do not accurately reflect their needs, particularly for those repeatedly excluded from consideration when services are designed and implemented. Despite their equal entitlement to high quality benefits in return for their service, marginalized subgroups of veterans,

especially women, people of color and women of color, are disproportionately misrepresented and underserved by the VA.[3]

The VA's efficiency mentality is another contributing factor as it is unable to account for the commitments and values the VA was founded on. While this can improve services and programs, it prioritizes the ability to accomplish the task rather than ensuring quality. Applying an efficiency framework and economic reasoning with such tunnel-vision creates conflict with other equally important values, and allows the VA to assume a value-neutral position.[4] Ignoring the values that inspired the VA's creation and commitment to give back to veterans means any effort taken by the VA will always fall short. Further, the recent integration of "consumer-speak" language that refers to veterans as consumers and customers is evidence of the VA redefining veterans from having earned and being entitled to their benefits to people purchasing products. The VA is morally obligated to serve veterans, and adopting the CX approach and language not only undermines its guarantee to veterans and their families, it actively creates distance between them and the services they are entitled to.

If the services, benefits, and resources the VA provides are not grounded in the right values, they will not be useful to the veteran population. Specifically, services designed and implemented solely for the sake of being completed as efficiently as possible rather than being intentionally designed to improve the lives and experiences of veterans will never achieve their stated goals or outcomes. The VA's reactionary nature has created a sense of urgency to respond and to act quickly, resulting in the VA's focus almost exclusively on efficiency at the expense of equity, quality of service, and overall effectiveness. The VA's use of economic reasoning has kept and will continue to keep it from fulfilling its mission and from serving veterans as it is meant to, by removing the values the VA is founded on and by ignoring these other contributory factors.

FLAWS IN THE SYSTEM

To assess whether and to what extent the VA operates as intended, this tiered analysis focuses on key elements of the VA on an organizational level (including its structure, priorities, and services) and a relational level (its internal rhetoric and the framework(s) it applies to its work).

Tier 1. Organizational Analysis: Unbalanced, Underfunded, and Undervalued

Restructuring: Superficial or Substantial?

The VA was founded when the needs of veterans were less extensive, and the population was smaller and homogenous; this population has since increased and diversified, and so too have their needs.[5] The VA now has three internal administrations to organize its myriad services: the Veterans Health Administration (VHA), Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA).[6] These administrations unified related services together, but have become silos, with minimal cross-communication, duplicated efforts, and disproportionate resource allocation.

Using annually published Functional Organization Manuals (FOMs),[7] organizational charts illustrating the internal layout of the VA and its administrations were evaluated to demonstrate restructuring over time (2014-2020, excluding 2018). The organization charts in each FOM revealed how the VA's priorities, reactions, and efforts shifted and whether it was superficial or substantial in addressing veterans' needs. This structural change analysis demonstrated both substantive and superficial changes occurred; the VA experienced some meaningful changes, as

seen in the addition and later expansion of the Veterans Experience Office (VEO) in 2016, while less meaningful changes also took place. The VA's iterative and constant process of change is a double-edged sword: the VA desperately needs change, but its size, scope and blended structural types do not facilitate cohesive adoption and implementation, and its frequent changes make it near impossible for any to take hold uniformly or effectively throughout.

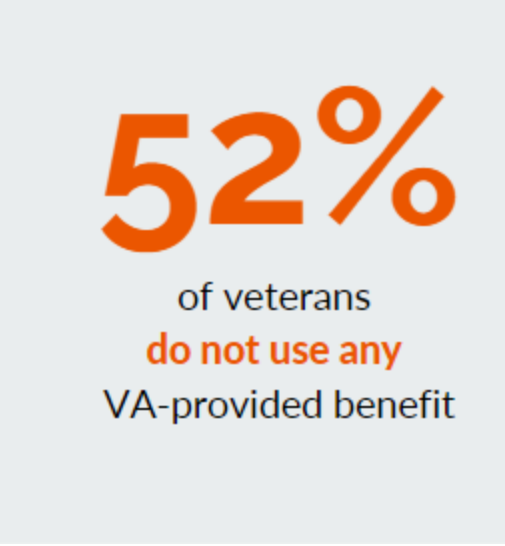
Health and Nothing More

Using the FOMs, annual financial records, and allocated personnel resources to each, the scope of the Veterans Health Administration (VHA) was compared to the Veterans Benefits Administration (VBA). The organizational charts of both were compared to determine their general scope, size, and structure and their annual budgets and expenditure records were analyzed for imbalances in resource allocation, including the stated number of full-time equivalent (FTE) staff/personnel. The missions of both administrations were also analyzed and compared to identify their contribution to supporting successful transitions to civilian life. A limitation of this analysis includes the difficulty in comparing expenditures directly without accounting for field or service specific costs. Importantly, these comparisons only address snapshots in time and may not provide the full picture of if and how the VA prioritizes one administration over the other.

While the VHA provides health care related services, the VBA provides veterans and dependents with non-health related services, which on the surface seems as though they complement one another in addressing veterans' different needs. However, the FOMs revealed how the VHA has been prioritized more than the VBA, as indicated by its depth and detailed description within the FOMs as well as its greater FTE counts. Thus, while the two administrations portray balance in service provision, the overall lack of resources and growth of the many benefit categories within the VBA prove this to be untrue. And though the VBA receives more funding overall with increases over time, it addresses six benefit categories compared to the VHA's one.[8]

Service Utilization and Usefulness

Providing services is not enough if veterans and dependents do not use them. The benefit categories within the VHA and VBA were defined, and their purposes, sizes, and funding resources compared using the FOMs, VA websites, and publicly available data. Though the VA has expanded, the FOMs reveal that many of its services have remained unchanged.[9] The financial analysis also revealed a consistent trend that most funds allocated to the VBA are placed within compensatory benefits and services, which primarily transfer funds directly to veterans and their dependents. Meaning, while the VHA offers more direct interactions between the VA and veterans, the VBA does not. This makes the VHA, as well as its services, successes, and failures, more visible to veterans. Importantly, visibility differs from accessibility, as the VA is riddled with administrative burdens and exclusionary practices and systems.



This lack of visibility in comparison may contribute to the VBA's underutilization, with 48% of the estimated 20.3 million veterans using just one of their benefits.[10] However, the possibility and probability that veterans simply choose not to access these services because they do not address their needs or because they find the process to accessing those services arduous are also likely explanations.

Tier 2. Relational Analysis: Redefining and Practicing Values

Language Matters

Once the Customer Experience (CX) approach was adopted in 2018, changes in the VA's language were evident, including its framing of this adoption as a strategy for improving its efficiency. Existing literature on CX as a method for improving organizational performance showed positive outcomes while the results of its applicability to non-business fields (like health care) were more negative.[11] Identifying the direct implications of this language change is challenging given the recent and ongoing implementation of this approach throughout the VA and in developing appropriate metrics to accurately evaluate these abstract impacts.

CX is a marketing concept and relates to consumerism more broadly, with the goal to improve experiences for customers so they (continue to) make purchases. It is based on a clinical, transactional relationship between consumers and businesses, and applying it to the values-based relationship that binds the VA to veterans is destructive. While the VA provides services, it is not in exchange for money but is provided in return for the time, commitment, and sacrifices made by servicemembers and veterans. The VA's work is also characterized by its values, with the ultimate goal being to improve veterans' lives. Adopting CX has also led the VA to equate 'veterans, service members, and dependents' to 'customers, consumers, and clients.'

Whether intentional or not, this shift in language has affected how the VA perceives and defines veterans, altering who is deemed as deserving of the benefits it provides. Since the VA's purpose is based on valuing veterans as having earned these benefits because of their sacrifices, applying this framework means these sacrifices are no longer recognized as they once were or should be. The change in the mission statements below illustrate what happens when CX infiltrates the VA.

*"Building **trusted lifelong relationships** with Veterans, their families and supporters. This office ... strives to make every contact Veterans and their families have with VA **predictable**, **consistent** and **easy**."*

VEO Mission, 2016

*"VEO [serves] as the … **customer experience (CX) insight engine** and a shared service to … enable [the] VA … to provide the **highest quality CX** in the delivery of care, benefits and memorial services to servicemembers, veterans, their families, caregivers, and survivors."*

VEO Mission, 2019

The Veterans Experience Office (VEO) was introduced to the VA in 2016, with the purpose of supporting veterans and their families in accessing and receiving their benefits. After CX was adopted, the changes to the VEO's mission statement reflect how its focus, the office charged with ensuring quality and accessible care, shifted away from this goal and was narrowed to instead focus on CX performance measures, which distances the VA from its responsibility.

Efficiency or Efficacy?

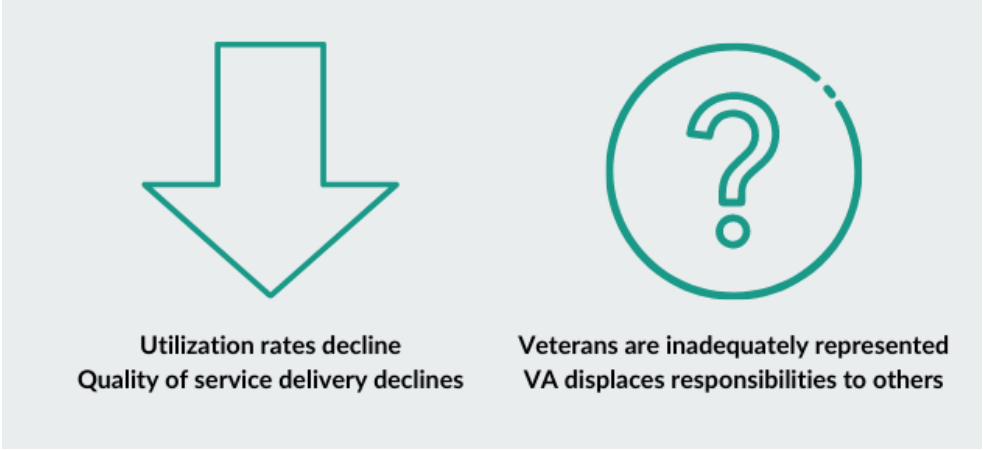
The VA operates with an efficiency mindset and economic reasoning framework. These derive from economics, which does not consider values or person-based factors outside of identifying and understanding behaviors to determine efficient outcomes.[12] Within economics, efficiency is

focused primarily on achieving optimal outcomes and equilibrium in the market which can be problematic in a service context.[13] This has its value in improving resource allocation which is a large factor within the VA's mismanagement, but simultaneously facilitates distancing between the VA and veterans by shifting focus to economic measures rather than serving veterans. The danger in adopting such clinical, technical frameworks to the VA-veteran relationship, which create space and support for practices like CX, is the risk of diluting or completely displacing that intangible, values-based commitment to the target population.[14] Compared to alternative frameworks, economic reasoning and the CX approach minimizes the importance and contributory role of veterans in assisting the VA in providing better services. Overall, this reasoning and the CX approach creates more barriers and challenges for the VA to effectively engage with veterans and fulfill its mission.

The VA's framework and priorities inherently limit its ability to serve this increasingly diverse population and its economic reasoning in decision-making and service provision not only ensures its continued failure but simultaneously undermines its moral responsibility. Identifying how these misaligned practices are integrated within the VA and how veterans are impacted by them is the first step to ensuring the VA can fulfill its mission of giving back to those who serve on our behalf.

IMPLICATIONS AND RECOMMENDATIONS

Each analysis section highlighted a contributing factor to the VA's failure, yet one takes priority in terms of immediate concern for veterans: the adoption of the CX approach. It diminishes the value the VA places on veterans which can negatively impact the quality of its service delivery and its commitment to giving back to this population. Eventually, veterans will perceive the changes taking place within the VA as they are treated as customers rather than individuals entitled to these services which can lead to more veterans choosing not to use the very services intended solely for them. The CX language also displaces veterans from the focus of the VA, and while performance measures are important, providing meaningful services that meet the needs of this unique population requires veterans being centered in every decision and effort.



The negative effects of the CX approach will not be immediate as the VA's complex structure and nature as well as the lack of formal communication channels impede implementation. VA employees, especially those working with veterans every day, will also act as a buffer because they are not likely to change their language. However, as time goes on, this language and the connotations attached to it will seep into the everyday work of the VA and its employees.

The following recommendations are proposed to assist the VA in fulfilling its mission and support veterans' successful transitions into civilian life.

Recommended Action	Purpose
Adopt a new or additional that has matching values.	CX is based on a relationship between a consumer and a producer, exchanging money for services. The VA is based on its moral and legal obligation to veterans in return for their service and sacrifice. This misalignment diminishes the value of veterans by conflating them to customers or clients. Not only will it result in the VA's continued failure, it endangers the already constrained and under-resourced services veterans receive and actively distances the VA from its duties.
Reposition veterans in a formalized, authoritative, and central role.	Making veterans a contributing partner in designing and implementing VA benefits and services will be a more effective strategy to inform how benefits should be operated to maximize positive outcomes for the military community.
Establish formal communication channels throughout the VA and its administrations.	Address the efficiency concerns by establishing formal communication channels across and throughout the VBA and VHA which would help it avoid duplicated work or wasted resources and would ensure that veterans receive the same quality of care no matter which office they interact with.
Redesign the VBA's service delivery model to directly engage with and support veterans.	Transition the VBA to a more programmatic-based service delivery model and allocate personnel resources to support providing those resources to veterans. Rather than transitioning funds directly from appropriations to veterans via compensatory benefits, the VA can establish programs to more effectively support veterans in their transition to civilian life.
Invest in the VA's infrastructure to improve transparency and accountability.	Increase transparency and accountability throughout the VA by improving communication practices and making internal information readily available to the public.
Increase efforts to educate active servicemembers and veterans of their entitled benefits.	Increase resource allocation to educating veterans and dependents on the services provided and how to access them. Further prioritize existing efforts of veteran outreach and engagement to increase utilization of services, or at the very least to ensure veterans are aware of the choices available to them and the benefits to which they are entitled.

ENDNOTES

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8. The VBA has six primary benefit categories including disability compensation or pension, home loan guaranty, life insurance, education benefits, memorial benefits, and vocational rehabilitation and employment. The VHA has one benefit category, health care.
9. This analysis focused only on the benefit categories, not the internal services and programs within each. The lack of publicly available data also made it difficult to obtain financial information on how many FTEs are employed by the VBA, though that information was available for the VHA. The differences in accessible information for the VHA versus the VBA speaks to the prioritization of the VHA's implementation and operation compared to the VBA.
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