

A SECOND TRUMP TERM WOULD DECIMATE VETERANS' HEALTHCARE AND BENEFITS

Analyzing the Impacts of **Project 2025** on the Veterans Health and Benefit Administrations

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1. Summary of Project 2025

On January 31, 2023, The Heritage Foundation, a far-right, pro-business think tank, published its "Mandate for Leadership: The Conservative Promise." The document itself is subtitled "Project 2025, Presidential Transition Project" and is thus now commonly referred to as Project 2025. The 920-page document has attracted intense media attention as an unofficial platform for a second Trump administration. It presents in exhaustive detail plans to slash federal spending, cut taxes for the wealthy, dismantle key agencies, strip 50,000 workers of civil service protections, renegotiate union contracts, and privatize core government functions.

Heritage, which receives many millions per year in anonymous donations, has, as the New York Times explains, "shaped the personnel and policies of Republican administrations since the Reagan presidency." While Donald Trump has disingenuously distanced himself from Project 2025, he previously supported Heritage's efforts to "lay the groundwork and detail plans for exactly what our movement will do" should he win in November. During the Trump administration, Heritage was the key organization making staffing and policy recommendations. It is redoubling this work with the Project 2025 agenda, which was authored in cooperation with more than 140 former Trump officials.

Most media accounts of Project 2025 have focused on proposals to cripple agencies like the Department of Justice or the Environmental Protection Agency. Rarely mentioned is the fact that Project 2025 also targets hard-won programs administered inside the second largest federal agency, the Department of Veterans Affairs (VA), which provides medical care to nine million veterans and benefits to millions more.

Highlights of probable damage to veterans' and VA's disability benefits system include longer wait times and worse outcomes for compensation and pension decisions, more errors in VA claims' decisions, anti-veteran regulations to narrow or eliminate some benefits, and a purge of top VA career officials.

More private, for-profit companies will perform disability medical examinations, creating a "blended workforce with more contractors to process claims." This will make it much harder for veterans to get a disability rating based on their service-connected conditions. The millions of veterans who are provided free access to VA healthcare will see a system gutted by budget cuts, outsourced care, and ceaseless attacks on organized labor, which represents tens of thousands of veteran employees.

In short, the Heritage plan aims to finish, in a second Trump administration, the VA demolition job that was launched in the first one. It's an unconscionable approach to those who've risked their lives for this country.

2. The Project's Authors

Project 2025's policy prescriptions for veterans are contained in Chapter 20 of the report. The author of this 16-page broadside against VA healthcare and benefits is <u>Brooks Tucker</u>, a former Trump VA official. Before that, Tucker was a Republican staff member for the Senate Committee on Veterans' Affairs (SVAC). Among other things, he was intimately involved in passage of the 2014 VA Choice Act, which kickstarted the process of privatizing care within the Veterans Health Administration (VHA). Tucker is also an ally of the Koch-backed astroturf organization Concerned Veterans of America (CVA), part of the far-right Americans for Prosperity network, which has long worked to tarnish the reputation of the VA and privatize its services.

In recent years, Tucker and his allies have opposed or slow-walked positive VA reforms, including the 2022 PACT Act, which greatly expanded eligibility for VA healthcare and benefits based on toxic exposures. Citing flimsy budgetary arguments, Republican lawmakers repeatedly blocked PACT, and would surely try to restrict its impact in a second Trump term.

Another contributor to the veteran policy section of Project 2025 is another <u>CVA advisor</u> and former Trump official named Darin Selnick. (More information on Selnick is below).

3. Threats to VBA

A chief target of Project 2025 is the extensive benefits system that has, over decades, supported tens of millions of veterans. This agenda will harm those who've served in the following ways:

A. **Enabling Claim Sharks**. On Page 649, Heritage suggests "effective managerial approaches and technology tools that currently exist in the private sector could be employed to improve existing VBA activities."

This vague language appears to be a ringing endorsement of non-VA-accredited predatory "claim sharks" into the VBA claims assistance ecosystem. Claims sharks are seeking to replace VA-accredited claims agents, who are tightly regulated and help veterans fill out and file complex VA disability paperwork, generally for free. (For a comprehensive explanation/investigation of claims sharks, click here.)

There are now roughly 200 unaccredited claims companies. Twelve have publicly reported a total of more than 640,000 disabled veterans as clients, many of whom paid excessive fees in exchange for subpar and potentially illegal assistance. The rough average each veteran pays to these companies is around \$5,000, meaning that as much \$3 billion in veterans claims has been snatched up in the past few years.

If Trump, like Heritage, legitimizes these unaccredited actors, an expanding for-profit system would totally crush the far better, accredited, and largely free assistance provided by non-profit Veterans Service Organizations like the VFW and the American Legion. (In April, Scott Greenblatt, the owner of a massive non-VA-accredited company called Veterans Guardian, held a <u>fundraiser</u> for Trump in North Carolina.)

B. Reducing Disability Financial Assistance. On Page 650, Heritage proposes that VA's rating schedule — i.e. how it determines the severity of a veteran's disability and thus VA's compensation percentage rate and payment amount for that disability — be overhauled and reduced. The Project 2025 proposal uses euphemistic, Trojan Horse language to propose cuts, claiming that they would "target significant cost savings from revising disability rating awards for future claimant."

Republicans have signaled their openness to gutting the veterans benefits system through their vehement opposition to expanding benefits for veterans sickened by toxic exposures or who struggle with certain mental health conditions.

Curtailing or altering the kinds of compensation benefits available to veterans could cost veterans thousands of dollars each month, plunging countless numbers of them into poverty. One veteran recently illustrated this in comments to VHPI: "My benefits are the difference between me being able to pay my rent and being homeless. Without them, I would probably lose my job and my ability to take care of my family."

C. **Privatizing VBA**. Also on Page 650, Heritage recommends that VBA "build a more blended workforce with more contractors to process claims."

This agenda item seems to be a carbon copy of longstanding VHA privatization efforts, which have <u>increased the use of contract employees</u> while escalating costs to taxpayers. If implemented, this proposal would further privatize key VBA roles, limit the number of unionized employees, and undermine staff morale.

In a 2023 report on VA privatization efforts, VHPI surveyed 2,000 VHA and VBA employees. Of the VBA respondents who said veterans had spoken to them about their comp and pen exams, nearly 63 percent said they'd had negative experiences with the contractors involved. Forty-seven percent of VBA respondents confirmed that it is more difficult for them to rate veterans fairly and properly, when they are asked to make decisions based on faulty outside medical assessments.

D. Accusing Veterans of Being Frauds. On page 649, Heritage alleges that "about \$500 million is improperly paid out each year." This incomplete comment improperly and insidiously insinuates that veterans are stealing from VA by lying about or inflating their disabilities. Interestingly, Heritage doesn't mention the fact that, as the <u>VA Office of the Inspector General</u> and many other <u>credible sources</u> make clear, veterans are most often the targets of fraud, not the perpetrators.

This language aims to justify the aforementioned cuts and is similar to toxic allegations made by prominent Trump supporters, like his former VA Secretary Robert Wilkie and former Virginia VA leader Daniel Gade, both of whom would likely be recruited to serve in a second Trump administration. (More information on these figures is below).

In line with this rhetoric, Project 2025 claims that the VA's Schedule for Rating Disabilities (VASRD) has improperly assigned disability ratings to a growing number of health conditions, portending serious cuts for future generations and a far stricter list of what sorts of conditions the VA will consider in determining disability ratings. This will rob veterans of both benefits and care.

- E. Racism, Sexism, and Bigotry as Government Policy. On page 4, the Project 2025 report attacks "diversity, equity, and inclusion." Should VA follow this edict under a second Trump administration, the consequences may include:
 - 1) Ending efforts to end institutionalized VA racism. Internal VBA documents clearly substantiate that <u>VA's has a long history of discrimination in claims. These documents reveal higher rates of denial for Black veterans with credible claims to their hard-earned benefits.</u>
 - 2) Ending efforts to address sexism and properly process PTSD claims associated with military sexual trauma (MST). <u>Until recently, VBA improperly denied claims for mental health conditions related to sexual assault and harassment.</u>

- 3) Ending other forms of bigotry, such as past improper VA denials for care and benefits for veterans who are <u>lesbian</u>, <u>gay</u>, <u>bisexual</u>, <u>transgender</u>, <u>queer</u>, <u>or have another related identity</u>.
- F. **Schedule F may Return**. On Page 80, Project 2025 seeks the return of <u>Trump Executive</u> Order 13957 and the creation of "Schedule F" employees who can be fired without cause.

Given the proposed policies above, Trump would most likely fire dozens of top VA executives. Project Sovereignty 2025, a group with similar goals as Project 2025, seeks to identify anyone not fully loyal to Trump so that, as president, he can immediately remove them. A hollowing out of top leaders would likely lead to disaster as VBA continues to hire and train staff to process the unprecedented two million disability claims filed in the past year as part of PACT — double the prior record set the year before.

G. Exploitation of Veterans by For-Profit Colleges. During his first term, Trump opposed strict oversight of VBA education benefits. Without proper controls, billions of dollars have flowed to dubious institutions, many of where were sued or shuttered by state and federal regulators. One of Trump's top champions for deregulating VBA education benefits is another former CVA leader and current Fox News host Pete Hegseth, who, according to ProPublica, was hired to do the bidding of for-profit colleges. Trump himself also previously ran "Trump University," a predatory educational company.

4. Threats to VHA

Project 2025 has proposed equally alarming recommendations that would significantly slash veterans' access to healthcare. Many ideas build on actions taken or proposed during Trump's first term. The proposals include:

A. <u>Align Healthcare Benefits with Service-Connected (SC) Conditions</u>. Project 2025 seeks to realign the provision of some healthcare based upon "service-connected conditions" – i.e. medical or mental health problems that were acquired or exacerbated by military service.

Currently, once veterans prove they have a service-related condition, they can receive care not only for that problem, but for other non-service-connected conditions as well. The Project 2025 blueprint argues that the VHA eliminate some clinical services (e.g., abortion) because they "don't align with service-connected conditions." If this non-alignment rationale were to be taken to its logical conclusion, it would potentially exclude a long list of services not directly related to a veteran's service-connection that develop after leaving the military, like cancer or diabetes.

While not explicitly stated in Project 2025, but proposed in Heritage Foundation's related <u>Budget Blueprint for Fiscal Year 2023</u>, millions of non-service-connected veterans in lower VA priority groups would no longer be eligible to enroll in VA healthcare. This

draconian, deeply damaging idea is consistent with CVA's <u>Veterans Independence Act</u>, which proposes "tightening eligibility requirements for new enrollees at a certain date in order to reorient the VHA back towards its mission of providing care for service-connected disabled veterans." Many of these disenrolled veterans have no other healthcare insurance and would become dangerously uninsured.

B. "Require VHA facilities to increase the number of patients seen each day to equal the number seen by DoD medical facilities." This Project 2025 directive disregards the stark differences between the two populations served by the VHA and DoD. Veterans are, on average, 58 years old, while servicemembers are, on average, 28 and are, by definition, in good health or they would be otherwise ineligible for military service.

Because veterans are not often able to access VHA care unless they have a proven service-connected disability, veteran patients are not only older than those served by the DoD, but also far more likely to have multiple medical conditions. To deal with their co-occurring conditions, VHA healthcare providers often need to spend more time with veterans during their appointments. VHA providers must also spend time coordinating the care of veterans who will be treated by different medical and mental healthcare specialists. This kind of close attention to veterans' complex healthcare problems is a hallmark of VHA care that has produced stellar health outcomes for decades.

By deliberately ignoring the difference in the two populations of patients and demanding similar patient volumes to DoD facilities, Project 2025 has essentially recommended compromising the quality of care that veterans receive, thereby putting them at risk.

C. <u>Downsize the VA Healthcare System and Outsource More Veterans' Healthcare to the Private Sector.</u>

Project 2025 advocates expanding Community Based Outpatient Clinics and curtailing investments in infrastructure on VA campuses. Like recommendations that were proposed, and ultimately rejected, during the AIR Commission process, Project 2025 proposals would result in the closure of many VA healthcare facilities. This would lead to shifting both inpatient and emergency department care (along with their irreplaceable healthcare professional training) to the private sector. These facilities not only provide healthcare but are, in many cases, the largest employers in their communities. Some of the facilities to be closed could include standalone VA hospitals upon which communities rely.

In an exercise in Orwellian double-speak, the document refers to this downscaling of the healthcare system veterans built and rely on as a "genuine 'veteran-centric'" philosophy.

In fact, as a recent independent "Red Team Executive Roundtable Report" warned, this will exacerbate the existential crisis that is threatening the very existence of the VHA. The Red Team Report explained, "increased community care spending results in less direct care funding that negatively impacts direct care capacity, leading to increased

community care reliance, and a continuous 'downward spiral' for VA's direct care system."

D. Increase Accountability for VHA While Giving Community Care a Free Pass.

Project 2025 would "require the VHA to report publicly on all aspects of its operation, including quality, safety, patient experience, timeliness, and cost-effectiveness. ...so that the government may monitor and achieve continuous improvement in the VA system more effectively."

Of course, the VHA should be held accountable, but it already is. In fact, it is the most accountable health system in America, subject to scrutiny by two Congressional committees, the VA Inspector General, the Department of Justice, veterans' advocacy organizations, and the media. Heritage's proposal fails to impose any accountability for the quality, timeliness, and cost-effectiveness of community care which, studies consistently show, takes longer to obtain and is of lower quality on average than that provided by the VHA. Issues in private care are also constantly shielded by legal settlements, NDAs, and weak regulatory controls.

E. Prevent Future Presidents from Adjusting Eligibility Criteria for Community Care. According to the plan, "the next Administration should rapidly and explicitly codify VHA MISSION Act access standards in legislation." This move would eliminate the possibility of revising the standards, which independent healthcare experts have already identified as urgently needing modification to better serve veterans. Project 2025's recommendation would make it impossible for future administrations to adapt access standards to new and shifting healthcare realities, as well as the evolving needs of veterans.

F. Reduce Veteran Employment.

Closing VA hospitals, not to mention the other workforce cuts proposed by Project 2025 across other federal agencies, will significantly reduce veteran employment. Currently, 31% of VA employees (or about 140,000 personnel) are veterans. The federal executive branch hires veterans at three times the rate of the private sector, with disabled veterans seven times more likely to be employed.

5. Possible VA Leaders

The figures who have influenced Project 2025 include zealous privatization proponents who are prime candidates for VA leadership under a second Trump term. They include:

A. **Daniel Gade**, formerly the Commissioner for the Virginia Department of Veterans Services under Glenn Youngkin (R-VA)

Gade believes VA should focus exclusively on "<u>combat injures</u>" to the exclusion of disabilities related to psychological trauma, toxic exposures, or the many other health

issues that emerge from service. This ideology is in line with the Project 2025 and CVA agendas to significantly reduce VBA benefits.

Gade extensively outlined these views in his 2021 book, co-authored with Daniel Huang, called "Wounding Warriors: How Bad Policy Is Making Veterans Sicker and Poorer." In it, he accuses the VA of fostering a costly and unhealthy culture of dependence among veterans. He also argues that VA disability ratings have been "misapplied to mental health disorders like PTSD, which have been repeatedly demonstrated to improve with effective therapies."

According to Gade and Huang, disability ratings are "an appropriate designation" only "for veterans with disabilities that are truly static and unlikely to improve — amputations, spinal cord injuries, etc." They continue: "only veterans for whom employment is not a reasonable option are those few whose brain injuries are truly devastating and impossible to overcome." As for the rest, including those who may be suicidal, Gade and his coauthor insist "we pay veterans to be sick and then we wonder why we have so many sick veterans."

<u>Gade has accused veterans of scamming</u> the VA, further deriding symptoms of mental health conditions like military sexual trauma and PTSD as "a bad day rather than a traumatic moment." (Two investigations of Gade's proposals are available <u>here</u> and <u>here</u>.)

B. Robert Wilkie, formerly the VA Secretary under Trump

Wilkie, a former Heritage fellow, has joined Gade in <u>accusing his former</u> agency of being overly "focused on getting veterans checks and not getting them well and getting them back into society." Wilkie also claimed that veterans service organizations encourage former military personnel "to play disability" — with the result being that too many noncombat veterans are getting undeserved compensation.

He's also a champion of the Lost Cause who engaged in a pattern of scandalous behavior while on the job. (A fleshed-out investigation of Wilkie's misdeeds is available here.)

C. "The Mar-a-Lago Crowd"

This group of non-VA leaders met privately with Trump for several years to shape VA policy between 2017 and 2021. (More information about their improper policy-making is available here.)

D. **Peter O'Rourke**, former Acting VA Secretary under Trump

O'Rourke was forced to resign after officials <u>complained</u> to *The Washington Post* that he was doing little work for his \$161,000 salary. He also ran an anti-union accountability

office within VA. When, in 2018, lawmakers sought information into the office's dysfunction, O'Rourke withheld information, prompting demands for a criminal probe. He currently <u>leads a lobbying group promoting claim sharks: the National Association of Veterans Rights</u> (NAVR).

E. Darin Selnick

As stated above, Selnick has long worked for the Koch funded astro-turf group Concerned Veterans for America. In 2015, Selnick served on the VA Commission on Care which was mandated by the VA Choice and Accountability Act to consider the future footprint of the VHA. He was an author of the "Strawman Document" that advocated for the dismantling of the VHA. Selnick dissented from the Commission's final report because it did not go far enough in proposing VA privatization. In that letter of dissent, Selnick and two other members wrote that the commission's final report focused "primarily on fixing the existing VHA provider operations, rather than boldly transforming the overall veterans' health care system," i.e. privatizing it.

During the Trump administration, Selnick became an influential member of the President's Domestic Policy Council and a top adviser to its first VA Secretary, David Shulkin. Selnick was also the key architect behind the 2018 VA MISSION Act, which supercharged VHA outsourcing based on flawed political logic and wait-and drive time metrics that aren't used to determine eligibility in any other healthcare system. He is credited with promoting sections of the MISSION Act, like its failed Asset and Infrastructure Review Commission, which attempted to shutter nearly a third of all VHA facilities.

Selnick consistently ignores VA's record of accomplishments (as well as its teaching, research and emergency preparedness missions), <u>arguing</u>, for instance, that health equity among minority vets could only be achieved in the private sector. The truth is that the VHA minimizes inequities better than any other system. One <u>recent study</u> found that, in contrast to the private sector, there has been no racial death disparity among VA patients with COVID-19.

Selnick landed in hot water during the Trump administration after ProPublica <u>reported</u> that he was commuting between his California home and D.C. on the taxpayer dime.

6. Conclusion

Perhaps the most famous law supporting veterans is the <u>Servicemen's Adjustment Act of 1944</u>, otherwise known as the G.I. Bill.

The landmark World War II-era law vastly expanded healthcare, disability, and educational assistance to American veterans. It was an overdue act of thanks to those who'd served, one that

stood in stark contrast to actions taken in the previous administration of President Herbert Hoover. Claiming that the government lacked sufficient financial resources, Hoover zealously resisted paying World War I veterans' their promised war bonuses.

In May 1932, thousands of veterans formed a "bonus army" that marched on – and set up camps in – Washington, D.C. Veterans demanded that Congress and the President deliver much needed relief from the poverty that engulfed so many during the Great Depression. After efforts to legislate payment of the bonuses failed, that June, even more veterans joined the Bonus March. In July, Hoover called on federal troops to violently quell the veteran-led protest. (Veterans finally received their long overdue bonuses in 1936.)

In pledging to gut a century of hard-won social services because they are too costly, Heritage's plan represents the kind of betrayal of American veterans experienced under President Herbert Hoover, and, more recently, during the Trump administration. In the name of fiscal responsibility, and then choice, conservatives have consistently tried to whittle away or outright attack a system of benefits and healthcare that, thanks to almost a century of investments by American taxpayers, have educated, cared for, and compensated millions of those who have served this nation.

If President Trump implements even a portion of Project 2025's key recommendations, the VA system could collapse entirely. By purging long-time dedicated VA career officials, the agency will lose profound expertise in dealing with veterans' issues. By privatizing more government functions, the VA will foolishly and expensively outsource care and benefits to for-profit companies with little skill and experience but a clear incentive to enhance their bottom line. By cutting back on disability compensation, countless veterans will lose their jobs, their homes, and experience more mental health problems. Many more devastating outcomes will cascade from these and other Project 2025 recommendations.

Every single day, the VA delivers high quality care and benefits to millions of veterans. If Donald Trump follows the Heritage plan, as there is every reason to believe he will, American will be unable to fulfill its sacred duty to current and future generations of veterans.