

## **VA plans sweeping overhaul of its health care system, community care contracts**

The moves could shift billions of dollars in contracts and resources related to medical care for veterans.

By: Leo Shane III | 12/16/2025 01:57 PM EST

Veterans Affairs officials on Tuesday unveiled plans for a restructuring of the health care system that serves 9 million veterans over the next 18 months, with changes to the leadership structure and operations of more than 1,200 medical sites nationwide.

The move comes at the same time department officials are soliciting proposals for new community care contracts in a bid to expand how much veterans' health care is handled outside the VA system by the private sector.

Combined, the changes could shift how billions of dollars in health care reimbursements and operations are handled in coming years. Department leaders said the changes are needed for a sprawling bureaucracy that too often doesn't meet the needs of its patients.

"The current Veterans Health Administration leadership structure is riddled with redundancies that slow decision making, sow confusion and create competing priorities," VA Secretary Doug Collins said in a statement.

"Under a reorganized VHA, policymakers will set policy, regional leaders will focus on implementing those policies, and clinical leaders will focus on what they do best: taking great care of veterans."

House Veterans' Affairs Committee Chair Mike Bost (R-Ill.) in a statement offered support for the restructuring, but congressional Democrats expressed concerns. In a statement, the ranking member on Bost's panel, Mark Takano (D-Calif.), accused the administration of "attempting to transform VA into a business while misleading the veteran community."

He said his fellow committee Democrats have serious concerns about the lack of data supporting the need for change. VA officials and Democratic lawmakers have sparred for months over whether department programming is in need of full overhaul or more basic improvements.

Collins said the moves are not expected to reduce the number of Veterans Health Administration employees, even as reports swirl about plans to cut thousands of health care staff posts from the agency in coming months.

Veterans Affairs officials have said they will remove about 25,000 open and unfilled positions from their staff rolls in early 2026, but said the jobs are no longer necessary

and will not impact health care delivery. The Washington Post this week reported that number could be as high as 35,000, and that employees have said the impact could be significant.

The VA health care system has about 370,000 staffers today.

Members of Congress were formally told of the VHA restructuring Tuesday morning. Under the new plan, the system's central office will have responsibility "for setting policy goals and conducting financial management, oversight and compliance" for regional networks to follow.

The goal is to take back some power and autonomy from the 18 Veterans Integrated Service Networks, which provide care in different parts of the country and often operate as separate health care systems. But officials said in a statement that "staffing and operations at VA medical centers and clinics will not be changing as part of this reorganization."

Department leaders plan to reduce how community care outside the VA system is provided, reducing five regional networks to two. Officials said that will streamline the management structure and cut administrative costs.

Ryan Gallucci, executive director of the Veterans of Foreign Wars' Washington office — a nonprofit veterans service organization — expressed cautious optimism at the proposed changes but emphasized that the details will be critical in preventing any disruptions or new barriers to veterans' care.

"If we can get to better governance and consistency in the system, we're excited to see that," he said.