



Do Veterans Have Choices in How They Access Health Care?

Introduction

Following the challenges encountered in the implementation of the temporary Veterans Choice Program (VCP) established by the Veterans Access, Choice and Accountability Act of 2014 (P.L. 113-146, as amended), Congress required (P.L. 114-41) the Department of Veterans Affairs (VA), Veterans Health Administration (VHA), to submit a plan to consolidate and streamline the numerous programs that authorize care for veterans in the community (non-VA care). The plan (<http://tinyurl.com/nmyyorn>) was submitted to Congress on October 30, 2015 (<http://tinyurl.com/o9nq5s6>). Currently, Congress is discussing various proposals (among them S. 2633, S. 2646, and some provisions in S. 2921) to consolidate and/or streamline various community care programs and establish one unified VCP. As Congress debates the future state of VA care, it is essential to understand how veterans currently receive care from the VHA and other federal and private health care sources.

VA Health Care Is Not Health Insurance

Compared with the predominant health care delivery model in the United States—where there is a payer (e.g., Medicare or private health insurance), a provider (e.g., hospital, physician), and a recipient of care (the patient)—the VA is a very different model of care. In general, private health insurance plans charge premiums from beneficiaries for enrolling in those plans. Furthermore, most private health insurance plans have cost-sharing requirements (that is the amount that beneficiaries are required to pay out of pocket when they use health care services). These could include deductibles (the amount a beneficiary must pay out of pocket before the insurance plan begins paying for services), coinsurance (a specified percentage a beneficiary pays out of pocket to providers after meeting any deductible requirements), or copayments (a fixed amount paid for a health care service, at the time of service). In contrast, VA is primarily a direct provider of care funded through annual discretionary appropriations—although VHA does pay for care in the community under certain circumstances. In addition, in the VHA system, enrolled veterans do not pay any premiums, deductibles or coinsurance. Furthermore, generally not all veterans are eligible to enroll in the VA health care system—the system is neither designed nor funded to care for all living veterans (*The Journal of Law, Medicine & Ethics*, Volume 36, Issue 4, p.680, Winter 2008).

Veterans Out of Pocket Costs

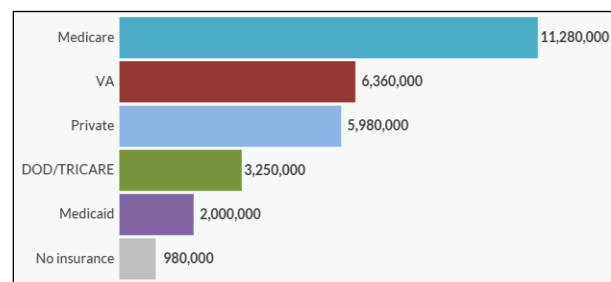
Some veterans are required to pay copayments for medical services and outpatient medications related to the treatment of a nonservice-connected condition (see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*). Generally, veterans who have been rated with a service-connected disability of 50% or more (Priority

Group 1) do not pay any copays for both service-connected and nonservice-connected care. Other groups of veterans, such as veterans who are considered to be catastrophically disabled (Priority Group 4), are also exempt from outpatient, inpatient, and prescription copays. Nonservice-connected care veterans (who are required to pay) pay a copayment of \$15 per primary care visit, \$50 per specialty care visit, and up to \$97 per day for care in a veterans long-term care facility. In addition, for outpatient medications for nonservice-connected care, some veterans are charged \$8 for a 30-day supply, whereas others are charged \$9. According to VHA, the average annual out-of-pocket costs for veterans receiving care through VHA across all priority groups with co-pays (for outpatient, inpatient, medication, and long-term care) were \$325.66 in FY2015, and ranged from \$203.26 for Priority Group 2 veterans to \$402.69 for Priority Group 8 veterans.

Veterans with Other Health Coverage

Based on the Independent Assessment (<http://tinyurl.com/gsyzyd>) of the VA health care system—conducted by the Centers of Medicare and Medicaid Alliance for Modernizing Health, operated by MITRE Corporation—a majority of veterans enrolled in VHA have access to other health care coverage (*Assessment A*, p. 65). According to a separate analysis done by VHA of the American Community Survey (ACS) data for 2014, of the approximately 22.5 million veterans identified, approximately 11.3 million reported having coverage through Medicare, about 6.4 million had care through the VHA, and about 3.3 million veterans had care through the Department of Defense (DOD) TRICARE program (TRICARE and TRICARE for Life—veterans are eligible for TRICARE if they served for at least 20 years in the military; veterans are eligible for TRICARE for Life if they qualify for Medicare and it is available as a wraparound coverage for costs not covered by Medicare). According to the ACS survey data analyzed by VHA, approximately 980,000 veterans did not have health insurance coverage (see **Figure 1**).

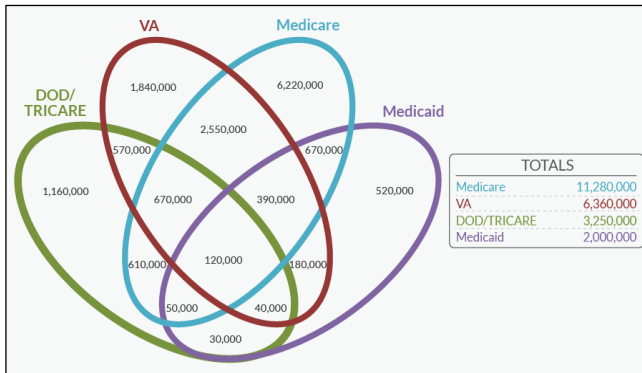
Figure 1. Sources of Health Coverage Among U.S. Veterans



Source: Figure adapted by CRS based on VHA analysis of 2014 American Community Survey (ACS) data.

Notes: Totals do not add up to 22.5 million. Persons covered by two or more programs are included in the count of each program through which they have coverage. Therefore the total number of those with coverage across all programs is greater than the approximately 22.5 million total unique veterans covered through these programs. Census Bureau classifies health insurance coverage as private insurance or government insurance, which includes VA provided care. “Individuals are considered to be uninsured if they do not have health insurance coverage for the entire calendar year” (Source: U.S. Census Bureau, Health Insurance Coverage in the United States: 2013)

Figure 2. Veterans Interacting with Other Health Coverage



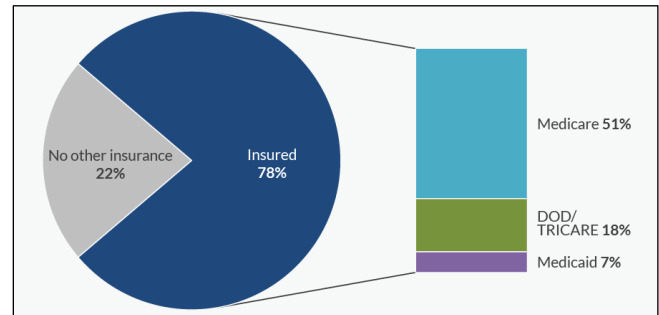
Source: Figure adapted by CRS based on VHA analysis of 2014 American Community Survey (ACS) data.

Notes: Figure excludes private insurance (6.0 million) or no health insurance (980,000). Also see note in **Figure 1**.

Based on VHA analysis of ACS data, many veterans who have health care coverage also qualify for more than one form of health care coverage. **Figure 2** depicts veterans’ interaction with Medicare, Medicaid, and TRICARE. As shown in **Figure 2**, some veterans could have double or triple health care coverage options. For instance, a veteran could have TRICARE for Life, be enrolled in the VA health care system, and be enrolled in Medicare because of eligibility at age 65 (individuals could qualify for Medicare at age 65 or with certain disabilities if under age 65). In this example, 670,000 veterans have all three sources of coverage (**Figure 2**).

VHA also annually conducts a national survey of veteran enrollees’ use of health care (VA Enrollee Survey). Based on the 2014 survey results, VHA reported that 78% of veterans enrolled in the VA health care system had another form of health care coverage in addition to VA health care. About 22% of those enrolled in the VA health care system reported no public or private insurance coverage (see **Figure 3**). Of those veteran enrollees with other coverage, 51% had Medicare coverage and 18% had TRICARE (TRICARE and TRICARE for Life) coverage.

Figure 3. VHA Enrollees with Medicare, Medicaid, and TRICARE



Source: Figure prepared by CRS based on VHA analysis of 2014 Survey of Enrollees data; VHA presentation made to the Commission on Care on September 21, 2015.

Notes: Percentages may not add up due to rounding. “No other insurance” means no other form of private or public coverage other than VA health care.

Limitations

The above data should be interpreted with caution. First, there are differences in the definitions of veterans between the VA Enrollee Survey and the ACS. Second, these are self-reported survey data and not based on exact matching of administrative data, which could result in under- or over-estimates of certain populations—sampling errors.

Concluding Observations

- As discussed in the Independent Assessment and shown by VHA’s analysis of its enrollee survey, some veterans receive all of their health care from the VA health care system, while others have coverage through health insurance programs such as Medicare, TRICARE, or private coverage.
- While some veterans may have double or triple health care coverage options, other veterans may rely solely on the VA health care system, such as the 1.8 million veterans (shown in **Figure 2**)—the VA serves as a safety-net provider for these veterans. Approximately 980,000 veterans report not having any other form of public or private coverage.
- Generally, veterans who have multiple coverage options could face complicated choices in deciding which forms of coverage best suits their health needs based on costs, ease of access, dependent/spousal coverage, and quality of care.
- Should the VA health care system take on a new role as a health insurer, as opposed to a direct care provider, Congress may wish to consider imposing health insurance elements such as premiums, deductibles, or coinsurance to control costs and to restrain spending.

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