

# METHODOLOGY DESCRIPTION

## PURPOSE:

The purpose of this outline is to provide a general description of the methodologies used to develop the VA Enrollee Health Care Projection Models. These models were created by Condor Technology Solutions, Inc. and Milliman USA to support VA ELDA and CARES analyses.

## METHODOLOGY:

### A. Enrollment Projections

1. Obtain baseline actual enrollment by scrambled SSN
2. Develop enrollment rates using historical enrollment and historical VETPOP
3. Develop projections of new enrollees using the rates developed in Step 2, the baseline from Step 1 and VETPOP projections
4. Apply mortality rates to enrollment projections

### B. Utilization Projections

1. Summarize private sector health care utilization averages by geographic area
2. Adjust utilization to reflect Medical Benefit Package and Millennium Bill health care services
3. Adjust utilization to reflect age and gender characteristics of the projected veteran enrollee populations
4. Adjust utilization to reflect the morbidity of the projected veteran enrollee populations relative to the underlying private sector populations (VA patient diagnosis data used to assess relative morbidity levels)
5. Adjust utilization to reflect the estimated degree of health care management observed within the VA health care system relative to the loosely

- managed level observed in the local community (VA inpatient diagnosis and workload data used to assess Degree of Management)
6. Adjust utilization to reflect the estimated veteran enrollee reliance on VHA for their health care needs (Veteran enrollee survey data and HCFA match data used to assess reliance)
7. Adjust utilization to reflect the residual differences between modeled and actual historical VA workload (estimates of unmeasured morbidity, reliance and degree of health care management differences)

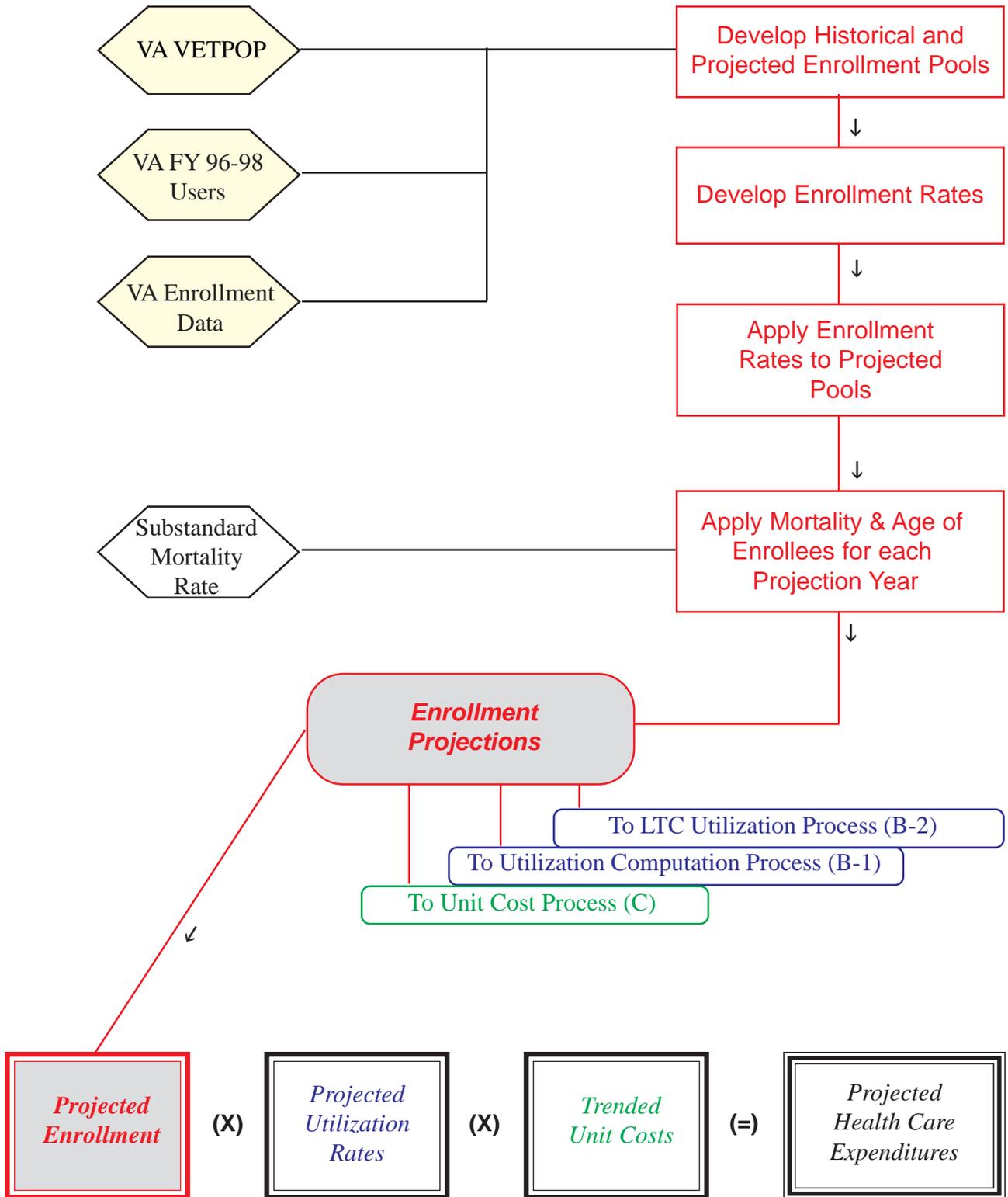
### C. Unit Cost Projections

1. Obtain baseline CDR-based VA unit cost data
2. Unit cost data adjusted for health care service mix inherent in data
3. Adjust unit costs to reflect reconciliation to historical VA total health care obligations

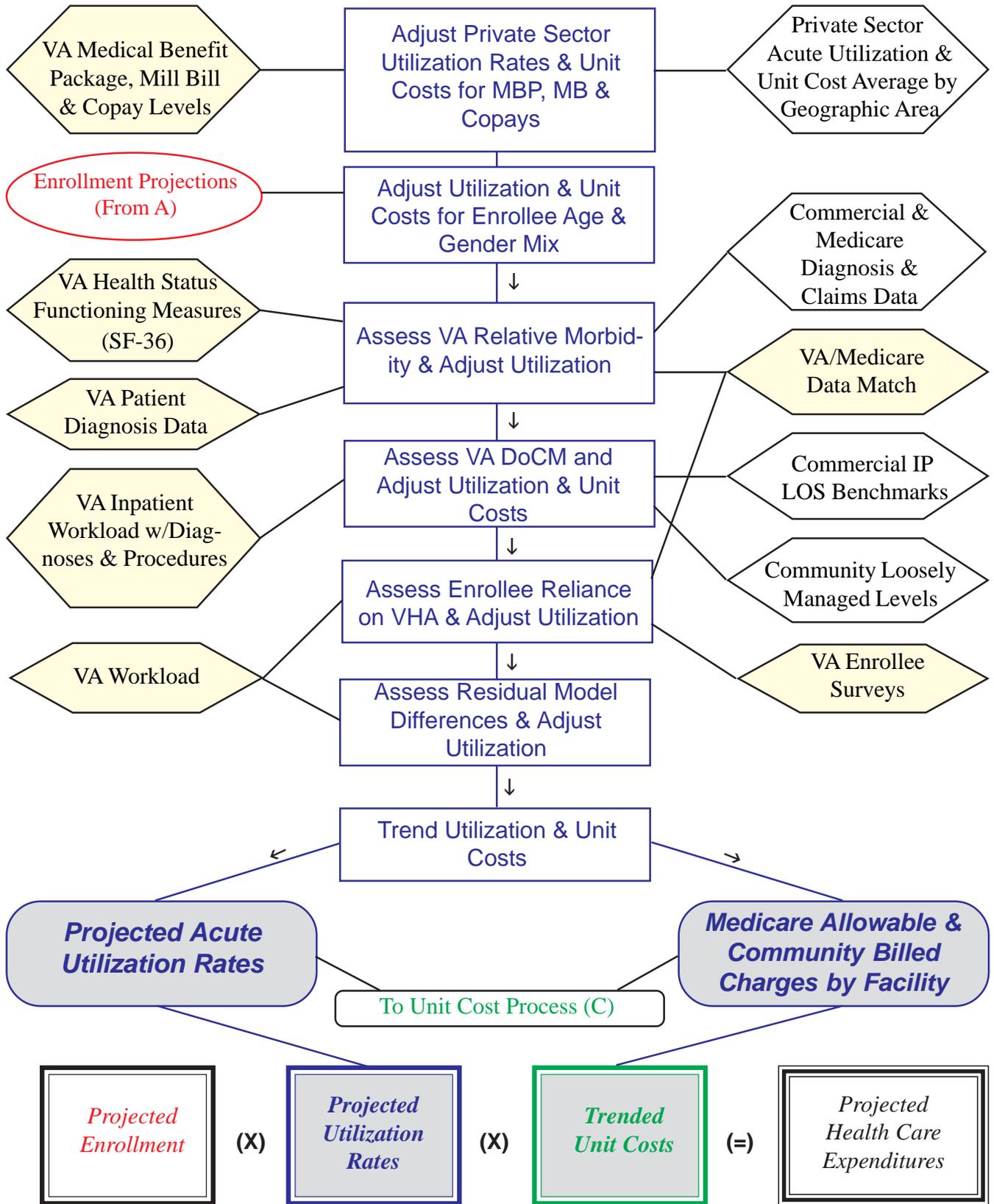
### Expenditure Projections

1. Enrollment, Workload and Unit Cost Projections are combined to produce Expenditure Projections

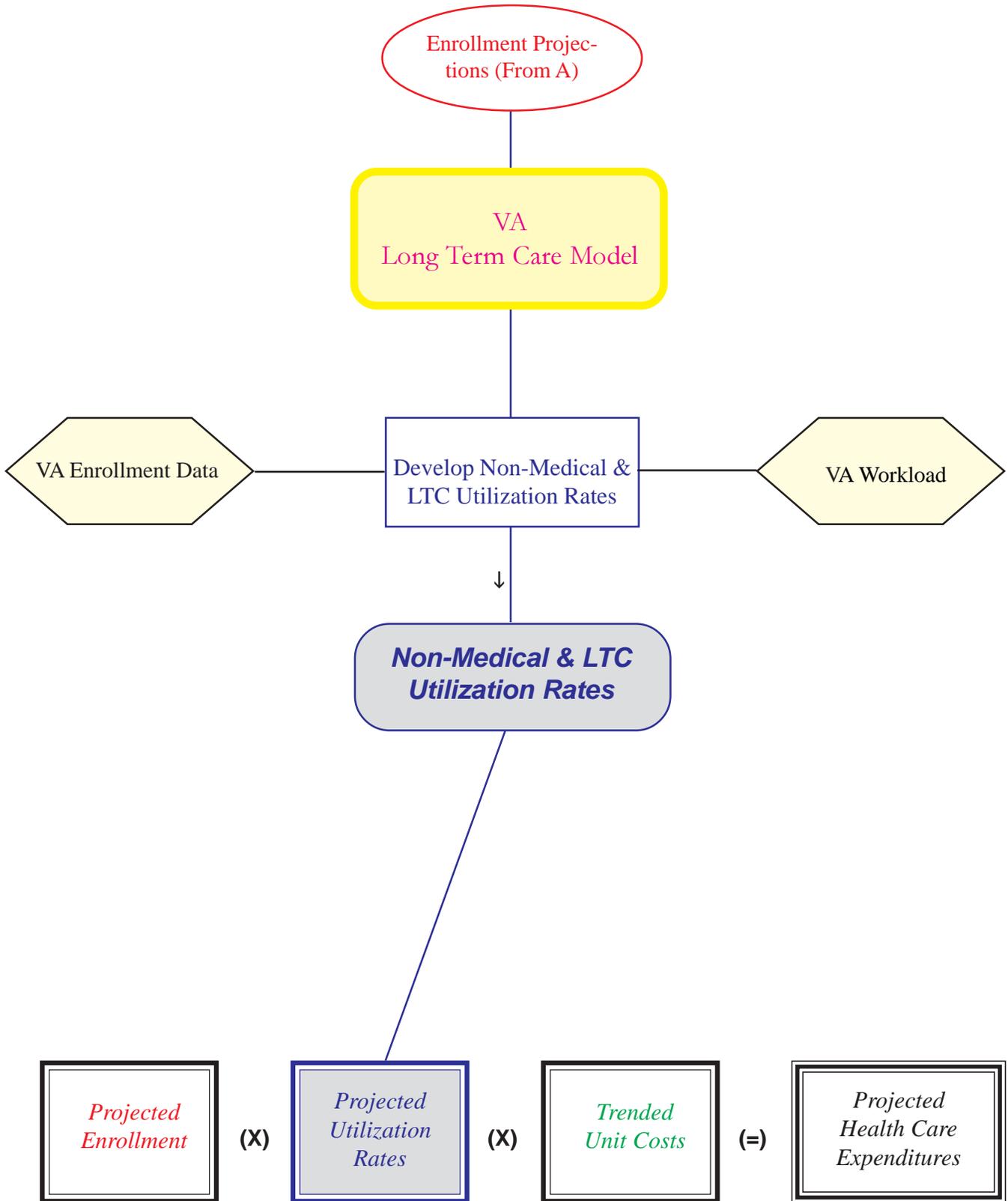
**A: ENROLLMENT PROJECTIONS**



**B(1): UTILIZATION (Workload)**



**Part B-2: LONG TERM CARE UTILIZATION**



**C: UNIT COSTS BY FACILITY**

