



Department of Veterans Affairs
Veterans Health Administration
Office of the Assistant Deputy Under Secretary for Health

Executive Summary
Survey of Veteran Enrollees'
Health and Reliance Upon VA
2002 & 1999

December 2003

Executive Summary

Turning Information Into Insight is the theme of Veterans Health Administration's (VHA) efforts to provide decision makers with insightful, accurate data to support planning, policy, and budget decisions. Each year, since enrollment began in 1999, VHA has conducted a major review of past, current actual, and future potential demand for VHA enrollment, health care services, and associated expenditures for veterans. This review of veteran demand for VA health care services involves the continuing refinement of the VHA Health Care Services Demand Model, which integrates data on veteran population, historical VHA enrollment, VA actual unit costs, both VA and private sector workload measures and, in particular, enrollee characteristics and health measures from the VHA surveys of enrollees conducted by the Office of the Assistant Deputy Under Secretary for Health.

This report provides decision makers with descriptive information about enrollees collected from the 2002 Survey of Veteran Enrollees' Health and Reliance Upon VA. Although the primary purposes of the VHA enrollee surveys are as critical inputs into VHA Demand Model projections and the Secretary's enrollment level decision processes, enrollee data provided in this report may also be useful in a variety of strategic analysis areas at the Veterans Integrated Service Network (VISN) level. It also includes comparisons of the 2002 enrollment population with the enrollment population from 1999. Both surveys were designed using optimally stratified random sampling techniques to represent non-institutionalized enrollees. The 2002 survey results were weighted to represent the population of 6.2 million veteran enrollees on December 31, 2001; the 1999 survey results were weighted to represent the population of 3.6 million veteran enrollees on February 3, 1999.

Overall Trends

Comparing data from the 1999 VHA Survey of Veteran Enrollees' Health and Reliance Upon VA to the data from the 2002 survey offers valuable insight to policy makers and strategic planners at both the national and network level about changes from the beginning of enrollment in 1999 to the present.

- ❖ The number of enrolled veterans surged from 3.6 million in 1999 to 6.2 million in 2002. This 70% increase was not equivalent across priority or age groups. Priority Groups 1-3 and 4-6 each increased less than 50%, while Priority Group 7-8 increased 172% between 1999 and 2002. Similarly, enrolled veterans under age 45 increased 43%, enrolled veterans between age 45 and 64 increased 63%, and enrollees over age 65 jumped 85%.
- ❖ In particular, the new group of older Priority Group 7-8 veteran enrollees influenced all areas of the 2002 VHA Survey, when compared to results of the 1999 VHA Survey of Enrollees.
 - The percent of enrollees with Medicare coverage increased, while the percent of veterans with no insurance decreased, although the raw number of uninsured veterans actually increased.
 - The overall VA inpatient reliance declined because many in this large group of higher income veterans with Medicare eligibility chose their community provider for inpatient care. However, to ensure eligibility for VA-provided medications (which Medicare does not provide), at least one VA outpatient visit is required and outpatient VA reliance remained fairly constant.
 - The average level of functional limitations changed between 1999 and 2002, with some movement from both the No Limitations group and the Severe Limitations group to the Moderate Limitations group.
 - The percent of veteran enrollees expressing a plan to increase use of VA health care services in the future declined (although the absolute number planning to increase use of VA services increased). The number and percent of those expecting the same use of VA health services in the future increased.

Although the new enlarged group of enrolled veterans generally have more income and health care resources, overall VHA continues to care for a population that remains more impaired than the general veteran or civilian population. This increased level of impairment is displayed by the following statistics: the average age of the enrolled veteran, the number of Medicare-eligible veterans under age 65, the number of non-Medicare eligible veterans over age 65, the percent of enrolled veterans eligible for Medicaid, and the number and percent of enrolled veterans with functional limitations.

In addition to the overall level of impairment, enrolled veterans continue to be challenged by possessing a smaller amount of resources, as indicated by the following: the percent of veterans with low income, the percent without private insurance, and the number with no public or private health insurance coverage at all.

The differences in veteran enrollee characteristics and patterns among the VISNs are generally of small to moderate impact. Other factors that typically explain more variance include the following: priority group, age group, income, and possession or lack of health insurance options.

Results

Socioeconomic Characteristics of the Veteran Enrollee Population

The overall enrollee population increased 70%. The largest increase by priority group was Priority 7 veterans, with a large increase also in Priority 5 veterans. The largest increase by age group was veterans over age 65.

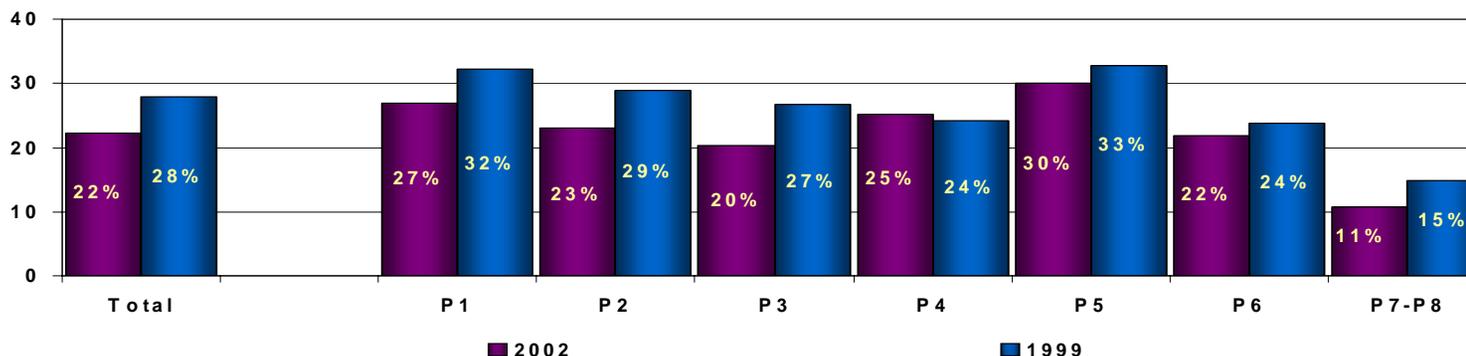
2002					1999				
Weighted to Represent the Population of 6.2 Million Veteran Enrollees - December 2001					Weighted to Represent the Population of 3.6 Million Veteran Enrollees - February 1999				
Priority Group	1 - 3	4-6	7	National	Priority Group	1 - 3	4 - 6	7 - 8	National
	1,807,305	2,601,176	1,767,212	6,175,693		1,221,787	1,772,178	648,573	3,642,537
	29.3%	42.1%	28.6%	100%		33.5%	48.7%	17.8%	100%
Age Group	< 45	45 - 64	65 +		Age Group	< 45	45 - 64	65 +	
	805,869	2,333,650	3,036,174	6,175,693		563,654	1,435,242	1,643,641	3,642,537
	13.0%	37.8%	49.2%	100%		15.5%	39.4%	45.1%	100%
Income Group	< \$35K	≥ \$35K	Don't Know		Income Group	< \$35K	≥ \$35K	Don't Know	
	3,856,004	1,265,689	1,054,001	6,175,694		2,706,020	609,709	326,808	3,642,537
	62.4%	20.5%	17.1%	100%		74.3%	16.7%	9.0%	100%

Health Insurance Coverage of the Veteran Enrollee Population

Survey respondents were asked to identify all sources of health care insurance.

- ❖ The percent of veterans with no insurance (public or private) declined between 1999 and 2002 from 28% of all enrollees to 22% in 2002. However, since the overall number of enrollees increased almost 70%, the actual number of veterans with no insurance actually increased from 1.0 million to 1.4 million between those years.

2002 & 1999 Uninsured by Priority Status



- ❖ Approximately half of all enrollees are over age 65, and most of these are eligible for Medicare. The VA does have somewhat higher rates of veteran enrollees over 65 who are not eligible for Medicare (8%) and also somewhat higher rates of enrollees under age 65 who are eligible for Medicare due to disability (22%).
- ❖ Approximately 7% of all enrolled veterans are eligible for Medicaid, a higher percent than is found in the general population.

2002 & 1999 Health Insurance Coverage Reported By Enrollees Surveyed									
Year	Medicare A	Medicare B	Medigap	Medicaid	Private			Tricare for Life	No Coverage
					HMO	Non-HMO	Total		
2002	3,354,043	3,002,231	1,706,930	416,957	745,889	811,204	1,557,093	464,376	1,371,640
	54.3%	48.6%	27.6%	6.8%	12.1%	13.1%	25.2%	7.5%	22.2%
1999	1,770,877	1,488,645	NA	211,558	NA	NA	1,661,646	NA	1,013,046
	48.6%	40.9%	NA	5.8%	NA	NA	45.6%	NA	27.8%

Perceived Health Status

Enrollees were asked to rate their current health status to other people their own age.

- ❖ The percent of enrollees reporting their health status as excellent, very good, or good increased to 62% in 2002 from 56% in 1999, while the percent of enrollees reporting their health status as fair or poor decreased to 37% in 2002 from 42% in 1999.

	2002 - Weighted to Respresent the Population of 6.2 Million Veteran Enrollees		1999 - Weighted to Represent the Population of 3.6 Million Veteran Enrollees	
<i>Excellent</i>	738,525	12%	361,019	10%
<i>Very Good</i>	1,305,105	21%	666,537	18%
<i>Good</i>	1,794,998	29%	1,025,541	28%
<i>Fair</i>	1,341,332	22%	925,490	25%
<i>Poor</i>	910,657	15%	608,656	17%
<i>Don't know or Refused to answer</i>	85,075	1%	55,293	2%

Functional Limitations

Functional limitations were measured by assessing reported difficulties with Activities of Daily Living (ADLs) such as bathing, getting dressed, using the toilet, and eating and/or with Instrumental Activities of Daily Living (IADLs) such as managing money, using the telephone, shopping, and preparing meals.

- ❖ Functional limitations changed between 1999 and 2002. In general, there was a movement from no limitation to moderate and severe limitation.

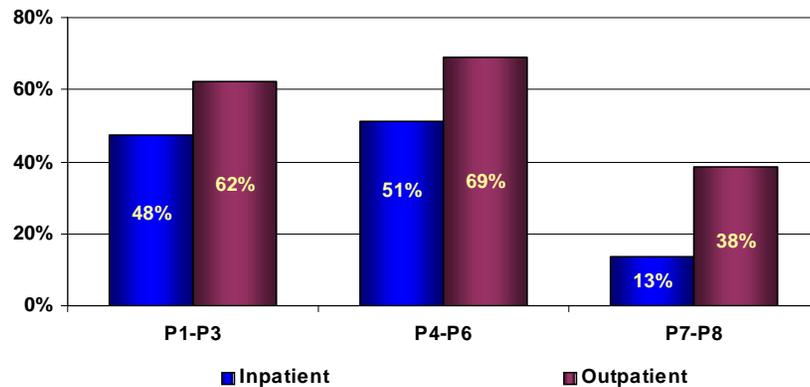
	2002 - Weighted to Respresent the Population of 6.2 Million Veteran Enrollees		1999 - Weighted to Represent the Population of 3.6 Million Veteran Enrollees	
<i>No ADLs or IADLs</i>	3,136,113	50.8%	2,426,922	66.6%
<i>IADLs only or 1-2 ADLs</i>	2,542,979	41.2%	1,010,989	27.8%
<i>3+ADLs</i>	496,601	8.0%	204,625	5.6%

Health Care Services Utilization

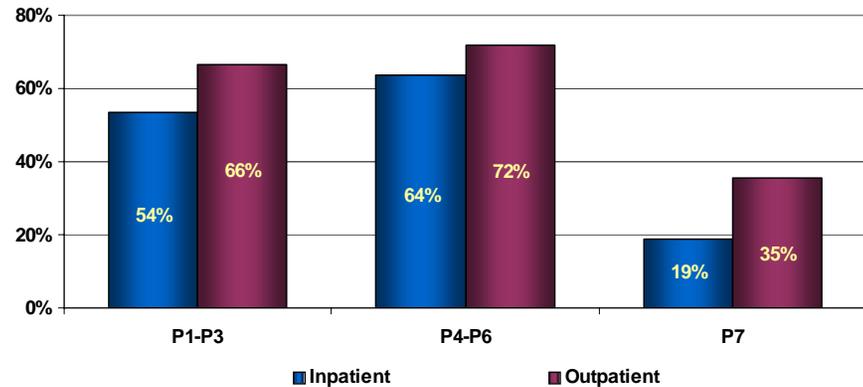
The 2002 survey asked enrollees to recall all health care episodes within the prior year to measure the percent of care (inpatient days or outpatient visits) provided by VA and non-VA providers in order to estimate an enrollee's VA reliance. Enrollee reliance upon VA is setting-specific (inpatient or outpatient) and is defined as the number of days or visits in a VA setting reported by an enrollee divided by the individual's sum of days or visits in VA and non-VA settings. An enrollee's VA inpatient reliance score of 1.0 means that 100% of an enrollee's total inpatient days of care in the prior year were provided by VA. Only enrollees who were patients in some health care system received a score, while enrollees with no health care visits have an undefined reliance.

- ❖ 2002 enrollees demonstrate a fairly substantial reliance upon VA services. For example, of those enrollees who used inpatient care in any setting, the average enrollee has 41% of their inpatient days in VA. Similarly, among enrollees who used outpatient services in any setting, the enrollee's outpatient reliance upon VA was 58%.
- ❖ Priority 7 and 8 2002 enrollees report VA inpatient reliance of only 13% and a slightly higher VA outpatient reliance of 38%.
- ❖ Reliance on VA declined from 1999 to 2002 (inpatient reliance declined from 55% to 41% while outpatient reliance declined from 64% to 58%). This reflects the influx of higher-income enrollees new to the VA system after enrollment began in FY 1999 who have more public (e.g., Medicare, etc.) and private insurance coverage than the enrollees who were VA patients before enrollment began. More veterans are becoming Medicare-eligible as they age, but are still coming to VA to enhance or as a backup to their other health care coverage. Many express a preference for VHA services.

2002 Inpatient and Outpatient Reliance Upon VA by Priority



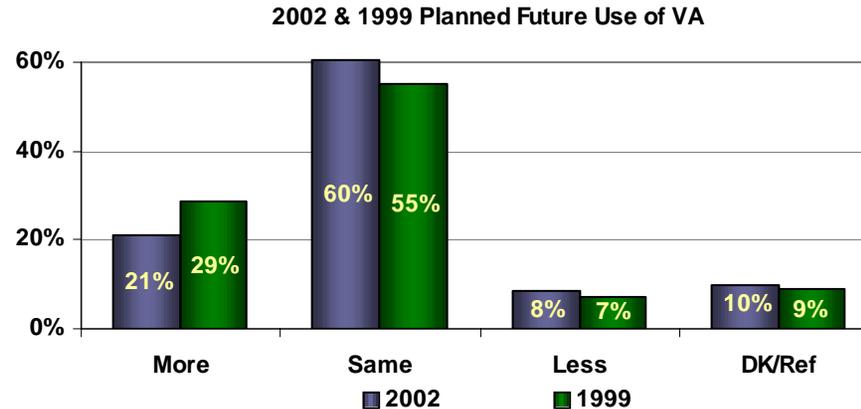
1999 Inpatient and Outpatient Reliance Upon VA by Priority



Future Use of VA Health Care

Enrolled veterans were asked about their plans to use VA health care services in the future.

- ❖ Between 1999 and 2002, there were overall increases in the percentage of enrollees who said they would use the same amount of VA care in the future, with a corresponding decrease in the percentages of those who said they would use more VA care. However, since the overall number of enrollees increased almost 70%, the raw number of veterans who plan to use more VA health care services in the future actually increased.



Enrolled veterans who were eligible for Tricare for Life (a secondary Medicare insurance for military retirees) were asked if they preferred to receive health care services from VHA or Tricare for Life (TFL).

- ❖ The highest preference for VA health care services was for hearing aids (22.5%), while the lowest preference for VA services was in inpatient care (12.8%). It is important to note that Tricare for Life does not cover hearing aids.
- ❖ A preference for Tricare for Life was displayed compared to a preference for VA health care services. This is not unexpected, since TFL serves as a secondary payer for Medicare and thus allows choice of health care provider and pays virtually all out-of-pocket expenses except when using VA services (TFL beneficiaries out-of-pocket cost shares may not be waived for services provided by VA under the TFL program). Nevertheless, approximately 25% of enrollees expressed a preference for VA only services in all eight categories of health care services studied. In general, approximately half the dual-eligible enrollees expressed a preference for VA alone or both VA and TFL to provide health care services.

Service	Prefer VA	Prefer Tricare for Life	Prefer Both	Don't Know/Ref	Total
Prescriptions	13.2%	21.4%	16.6%	48.8%	100%
Preventative Care	14.2%	21.6%	14.4%	49.8%	100%
Hearing Aids	22.5%	11.9%	9.4%	56.2%	100%
Vision Care	18.1%	17.0%	9.5%	55.4%	100%
Other Outpatient Care	14.3%	22.9%	12.4%	50.4%	100%
Inpatient Care	12.8%	24.2%	10.5%	52.5%	100%
Nursing Home Care	13.7%	12.5%	9.8%	64.0%	100%
VA Special Services	18.1%	15.7%	10.1%	56.1%	100%

Conclusions/Challenges

As VHA continues to explore alternatives to traditional VHA health care in stand-alone hospitals, such as becoming a Medicare + Choice provider, partnering with Tricare for Life, or forming alliances with other federal agencies that provide health care services, the data from the enrollee surveys can be instructive.

It will be incumbent upon VA policy makers to decide how best to handle this large influx of new enrollees, in order to prevent the VA health care system from being overwhelmed and leaving the system unable to provide the mandatory services to VA's core veterans in the highest priority groups. Policy makers opted to handle this important resource alignment issue in 2003 by suspending enrollment of new Priority 8 veterans.

The surge in enrolled veterans naturally brings with it a host of challenges to VHA policy makers, planners, and fiscal management officials. Balancing the multiple and serious needs of core veterans, whom VA has served with distinction for many years, with those of the newly enrolled group presents a variety of conflicting planning and policy-making priorities. Adding to the challenges are the current economic uncertainty, the lack of a clear direction for Medicare policy, the uncertain potential for national health insurance policy, double-digit increases in medical costs and insurance premiums, the rising number of uninsured citizens nationally, and the tendency for state and local governments to reduce health care benefits.

To answer these challenges, VHA will require visionary leadership, dedicated patient-centered care by providers, and an unwavering commitment by all to charting a new direction, which includes the provision of appropriate, timely and high-quality services to our core veterans.

The complete Enrollees' Survey report is available to view and/or download on the Office of the Assistant Deputy Under Secretary for Health (ADUSH) intranet website at <http://vaww.va.gov/vhaopp>

**Veterans Health Administration
Office of Assistant Deputy Under Secretary for Health (10A5)
810 Vermont Ave., N.W.
Washington, D.C. 20420**

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