

Assessing the impact of the Affordable Care Act on health care for veterans

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While the Affordable Care Act will expand health insurance coverage for low-income persons through Medicaid and state health-insurance exchanges, including much-needed care for 1.8 million uninsured veterans in the U.S., the new insurance coverage option also may have a number of unintended negative effects on health care for veterans, said Kenneth W. Kizer, director of the Institute for Population Health Improvement at UC Davis Health System.

His viewpoint, including recommendations for evaluating services in preparation for 2014, appears in the Feb. 22 issue of the [Journal of the American Medical Association](#).

"The Affordable Care Act will not affect [health care](#) for the majority of [veterans](#) differently than it will affect nonveterans, and it will not change eligibility for VA health care, covered benefits, co-payment for services, or how the VA health-care system is administered or operated," Kizer said. "But it will affect health care for many veterans through its effects on access, fragmentation and quality of care, utilization of services, the health-care workforce and cost. We need to define and quantify the potential impacts that additional health-insurance choices from the Affordable Care Act will have on the delivery of health-care services for veterans in 2014."

Kizer is a member of the Institute of Medicine of the [National Academy of Sciences](#) and a fellow of the National Academy of Public Administration. A former undersecretary for health in the U.S.

Department of Veterans Affairs and a veteran of the U.S. Navy, he engineered the internationally acclaimed transformation of the VA health care system, including the most rapid and largest ever deployment of a system-wide electronic health record and a comprehensive quality improvement and performance management system. Kizer also founded the National Quality Forum (NQF) and led efforts to establish national standards for reporting of [health care quality](#), which are widely used by the federal government and throughout American health care.

The health insurance plans for the nation's 22 million military veterans fall into three categories. The majority, 56 percent, have private health insurance or are covered by a non-VA health plan. Thirty-seven percent receive health-care services through the Department of Veterans Affairs (VA) health care system, which bases eligibility on having a service-connected disability, low-income level, and net worth or other specific circumstances. More than 80 percent of VA enrollees older than 65 years also are covered by Medicare, and about 25 percent are beneficiaries of two or more non-VA-federal health plans, such as Medicare, Medicaid, TRICARE or Indian Health Service. Seven percent of veterans have no health insurance.

The Affordable Care Act will expand health-care choices and potentially increase convenience and timeliness of care for veterans, but Kizer believes that having more health-insurance options can also cause fragmentation, diminishing continuity and coordination of care, resulting in more emergency department use, hospitalizations, diagnostic interventions and adverse events. He believes it also may shift care from VA facilities with experienced staff to private practice physicians who may be less prepared to treat conditions prevalent among veterans, and potentially result in decreased use of VA facilities, endangering volume-sensitive services, such as intensive care or complex surgery, which can affect local access to care and some health-care worker training programs. In addition, with more than 30 million newly insured persons

nationwide seeking services, some VA and non-VA facilities in rural and medically underserved areas already struggling with health-care worker and specialist shortages may be overwhelmed with increased demands for care.

According to Kizer, increasing health-insurance options for VA health-care enrollees will also increase redundant spending for veterans' health care.

"In 2009, the VA spent \$3.2 billion to care for nearly 775,000 veterans who were also enrolled in Medicare Advantage plans," Kizer said.

"These expenditures were overwhelmingly for routine inpatient and outpatient care covered by the Medicare Advantage plan, but federal law precludes the VA from being reimbursed for services provided to Medicare Advantage beneficiaries. As a result, the federal government paid twice for care of the same person in many instances."

To streamline services and costs in preparation for the post [Affordable Care Act](#) health-care environment, Kizer developed the three recommendations: 1) comprehensively evaluate and prioritize solutions for coordinating VA and non-VA health-care resources for veterans, 2) assess current and projected VA health-care workforce needs and service utilization vulnerabilities, including expansion of telehealth and home-care services, and 3) develop a shared vision for veteran's health care considering its role as a safety net provider, the declining numbers of World War II and Vietnam War veterans, increasing number of female veterans, and variables affecting federal funding.

Provided by University of California - Davis

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