Repealing ACA would leave more veterans uninsured, increase pressure on VA

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Proposals to repeal or replace the federal Affordable Care Act would likely increase the demand for service in the Veterans Affairs medical system, while also increasing the number of veterans who have no insurance coverage at all, according to a new RAND Corporation report.

Under legislation passed by the U.S. House of Representatives, [health](#) coverage losses among nonelderly veterans would be concentrated among older, low-income and less-healthy veterans, according to the study.

These groups of veterans are more likely than other nonelderly veterans to obtain care from the VA medical system, magnifying the potential impact of ACA repeal on demand for VA care.

"Repealing or significantly scaling back the Affordable Care Act is likely to increase the number of uninsured veterans," said Michael Dworsky, the study's lead author and an economist at RAND, a nonprofit research organization. "Some veterans who lose health [insurance coverage](#) as a result of ACA repeal will become more likely to seek care from the VA health system, leading to additional strain on a health care system that already faces challenges in ensuring adequate capacity."

Veterans are less likely to be uninsured than similar nonveterans, in large part because many have access to VA health care. As of 2013, just before the ACA's major coverage expansions took effect, 1 in 10

nonelderly veterans was uninsured and did not report having VA coverage.

RAND researchers estimate that just under three in five nonelderly veterans were eligible for VA care in 2015, and not all who are eligible choose to enroll. Veterans generally qualify for VA health benefits if they have served for at least two years, have an other-than-dishonorable discharge, served during wartime or in combat, have a health condition connected to military services or have a low income.

Veterans who enroll in the VA health system may choose to use other sources of care for a variety of reasons, including accessibility of care, perceived quality of care and costs. Even veterans who use the VA health system receive the majority of their health care from sources outside the VA system. Changes in non-VA insurance status are thus likely to affect VA use.

RAND researchers assessed the likely effects of changes to the ACA by examining how many military veterans gained coverage under the law and their sources of health care coverage. They then modeled how proposed changes to the ACA would have affected coverage of veterans if the changes had been imposed on the veteran population that existed in 2015.

The analysis broadly considered many of the changes proposed in both the American Health Care Act (passed by the House of Representatives) and the Better Care Reconciliation Act (rejected by the Senate), including reforms to the individual market and conversion of federal Medicaid funding to a capped allocation.

RAND researchers found that the ACA reduced both the number of uninsured veterans and the number of VA-covered veterans who lacked non-VA insurance. They also estimate that the proportion of uninsured

nonelderly veterans fell by about one-third after adoption of the Affordable Care Act, dropping from 9.1 percent in 2013 to 5.8 percent in 2015.

The demographics of the nonelderly VA population are changing rapidly, with many Vietnam-era veterans aging into Medicare while the number of veterans with service in the post-9/11 era increases. VA policy also was changing rapidly over this time period.

RAND researchers also estimated how state Medicaid expansion decisions affected veterans' insurance status. They found that Medicaid expansion substantially increased insurance coverage for low-income veterans in the income range targeted by Medicaid expansion.

The effects on veterans and the VA of ACA repeal would vary across states. The largest impacts would be felt in states that expanded Medicaid, but differences between states in the age structure and income level of the veteran population also matter for determining which states are most exposed to ACA repeal. The increase in use of VA services due to ACA repeal would be lowest in Nebraska and largest in Arkansas.

Provided by RAND Corporation