

Use of VA services impacted by external economic, policy changes

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A new study has found that use of VA services is affected by economic and policy changes outside the VA, such as Medicaid eligibility, private employer insurance coverage, unemployment and (non-VA) physician availability.

"As most Veterans live and work in community settings, the choice to use VA [health](#) care services is likely influenced by factors both internal and external to the VA. Thus, a better understanding of how these factors influence the choice of VA health care services is important for VA's continued ability to meet Veterans' health care needs," explained corresponding author Amresh Hanchate, Ph.D., health economist at VA Boston Healthcare System and associate professor of Medicine at Boston University School of Medicine.

The study measured the sensitivity of VA healthcare use to changes in "external determinants" such as unemployment and Medicaid expansion following the Affordable Care Act. The researchers examined VA health care enrollment and utilization data with area-level data on Medicaid policy, unemployment, employer-sponsored insurance, housing prices and non-VA physician availability (2008-2014). Using VA data, they identified more than 8 million Veterans, aged 18 and older, who had either received or were enrolled to receive VA health care during 2008-2014.

The Medicaid expansion following the Affordable Care Act was associated with a 9.1 percent reduction in VA health care utilization among Veterans aged 18-64 in the expansion states (\$833 million). Among Veterans aged 18-64, a 10 percent increase in unemployment was associated with 0.65 percent increase in VA health care utilization, while a 10 percent increase in private employer-sponsored coverage was associated with 1.4 percent decrease in VA healthcare utilization. Among Veterans aged 18 and older, increases in (non-VA) physician availability and housing prices

were associated with an increase in VA health care utilization. Among Veterans aged 65 and older, a 10 percent increase in housing prices was associated with a 2.2 percent increase in VA health care utilization.

"Our study estimates indicate that the VA utilization change associated with individual external factors is likely small, but specific regions and large policy changes can have a substantial effect. Changes in alternative insurance coverage (Medicaid and private) and other external determinants may affect VA healthcare spending. Policymakers should consider these factors in allocating VA resources to meet local demand," said Hanchate.

More information: Amresh D. Hanchate et al. External Determinants of Veterans' Utilization of VA Health Care, *Health Services Research* (2018). [DOI: 10.1111/1475-6773.13011](https://doi.org/10.1111/1475-6773.13011)

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