Insight

Primer: Veterans Health Care

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Introduction

Many veterans of the United States military receive health care through the Veterans Health Administration (VHA), a division of the Department of Veterans Affairs (VA). The VHA provided care to more than 8.7 million veterans (40 percent of all living veterans) in 2014. It operates more than 1,700 VA facilities with nearly 304,000 employees, making it the country's largest integrated health care system.[1],[2] VA health care is not an insurance plan but rather allows veterans to receive health care treatments and services, either at no cost to them or for a copayment (depending upon eligibility), so long as such services are received at a VA clinic or hospital. Most veterans who served at least two years in active duty and received a non-dishonorable discharge are eligible to receive health care through the VA. Veterans with 20 or more years of service who have retired from the military are eligible to receive TRICARE benefits, administered by the Department of Defense (DOD) rather than the VA—although some retirees use both systems.

Eligibility

VETERANS

With few exceptions, most men and women who served at least two full consecutive years of active military duty and were discharged under any condition other than dishonorable are eligible for VA health benefits. However, veterans must apply and re-enroll each year to determine which of eight "priority groups" they are eligible for, as this may change from year to year, and simply being eligible does not guarantee the ability to enroll. Eligibility for each group is based on the rated level of service-connected disability (to be determined by the VA), other health-related factors, financial status, or a combination of these factors. One's placement into a higher priority group makes it more likely the individual will actually

be allowed to enroll, may qualify him or her for additional benefits, and reduces the level of copayments for which he or she will be responsible. Anyone who qualifies under multiple priority groups will be placed in the group with the highest priority for which they qualify.

The priority group system is one of the methods the VA uses to determine acceptance into the program and how to allocate its funds. Enrollment is dependent upon several factors—primarily, how much funding the VHA receives for the year through congressional appropriations (since there must be money available in order to provide services). An individual's likelihood of being able to enroll also depends on how many other veterans have applied and whether or not an individual's circumstances place him or her higher or lower in the priority queue, according to the VHA's predetermined criteria, outlined below. Veterans must also provide information regarding any other health insurance coverage they have, including that of a spouse.[3] Having or not having other insurance does not determine eligibility for enrollment in the VA health care program, but it allows the VA to bill other insurers first, reducing the cost to the VA, and potentially allowing more veterans to enroll.

PRIORITY GROUPS

Priority Group (Highest to Lowest)	Eligibility
1	Veterans determined to be unemployable due to service-connected conditions or with a service-connected disability of 50 percent or more
2	Veterans with a service-connected disability of 30-40 percent
3	Former prisoners of war (POWs); Purple Heart recipients; Medal of Honor recipients; those discharged due to a non-preexisting disability, "early out", or hardship; veterans with a service-connected disability of 10-20 percent
4	Veterans determined to be "catastrophically disabled" (even if not service-connected) or receiving aid and attendance or housebound benefits from the VA
5	Veterans without a service-connected disability receiving a VA pension, eligible for Medicaid, or with household annual income below the VA's national and geographically-adjusted income thresholds

6	Veterans without a service-connected disability who served in the Vietnam War, the Persian Gulf from 1990 to 1998, were stationed at Camp Lejeune for 30 days or more between August 1953 and December 1987[4]; served in a theater of combat operations after 1998 (eligible for enhanced benefits for 5 years after being discharged)
7	Veterans with household income below the geographically-adjusted income limits who agree to pay copays
8	Veterans above the income limits who agree to pay copays (However, enrollment into Group 8 was frozen in January 2003, and, in 2009, eligibility was re-opened only for those with incomes between 100 and 110 percent of geographically-adjusted income thresholds. Those veterans already in Group 8 are permitted to remain enrolled, even if their enrollment would not be permitted now. Those with income more than 10 percent above the threshold and no service-connected disability are currently not eligible for enrollment.[5])

Medically-retired veterans may receive care for service-connected disabilities at the VA but may be eligible for TRICARE for the rest of their health care needs.[6] Active duty service members may obtain urgent or emergency services at a VA facility, but routine care would only be provided by the VA with prior authorization or a TRICARE referral.

FAMILY MEMBERS

The VA does not normally provide health care for family members of veterans; however, there are some exceptions. The Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) provides coverage to the spouse or widow(er) and dependent children of a qualifying sponsor who falls under one of the following qualifications: dies on active duty, dies of a service-connected disability, is determined to be totally and permanently disabled due to a service-connected disability, or was permanently and totally disabled due to a service-connected condition at the time of death, and if TRICARE benefits are not otherwise available to the dependents.

The VA provides some services for assisting caregivers who are caring for a veteran at home, such as providing home health aides, respite care, and hospice care. Primary caregivers of veterans injured during active duty on or after September 11, 2001, may also be eligible for additional assistance through the Caregivers and Veterans Omnibus Health Services Act of 2010. This law allows these caregivers to receive a monthly stipend and per

diem funding for lodging and travel when they attend caregiving training or accompany the veteran to receive care. They may also be eligible to access health care through the VA, including mental health services and counseling, if they are not eligible for care through some other health plan or program.[7] The Children of Women Vietnam Veterans Program (CWVV) is a fee-for-service program to reimburse individuals born to women veterans of the Vietnam War for medical care related to conditions associated with certain birth defects believed likely to be caused by the mother's time spent in Vietnam.[8] For children born to women veterans of the Vietnam or Korean Wars diagnosed with spina bifida, The Spina Bifida Health Care Benefits Program provides monetary allowances, vocational training and rehabilitation, and reimbursement for health care related to that condition.[9]

Receiving Care

The VHA has 21 regional integrated care networks across the country and more than 1,700 facilities. VA facilities can provide the full range of health care services (though not necessarily every service at every facility) from preventive care and health promotion to surgery, cancer treatments, dialysis, and traumatic brain injury treatments.[10] The VA also provides a wide range of other services such as home health care, telehealth services, and transportation to and from appointments or reimbursement for travel expenses under certain circumstances.[11]

VA CLINICS

In order for care to be covered by the VA, treatment must take place at a VA facility, except under certain circumstances (discussed below). Typically, an appointment is needed in order to receive care, with exceptions depending upon the severity of the individual's condition.

NON-VA CARE

Urgent or emergency care may be covered or reimbursed if received at a non-VA facility if it is after hours (for urgent care), care is not "feasibly" available from a VA facility, or a non-VA facility is closer (for emergencies). In non-urgent or non-emergency situations, prior authorization is required in order for the VA to cover the cost of such services received at a non-VA facility.[12] The Patient-Centered Community Care Program has established networks through contracts with outside vendors to provide care to veterans in areas where veterans have a particularly difficult time obtaining necessary care at VA facilities; reasons for this may include high demand for services or geographic inaccessibility.[13] The VA Choice Program is primarily designed to ensure against long wait times for care or veterans

having to travel too far. This program may be used if the VA acknowledges that a veteran would have to wait more than 30 days to receive care at a VA facility or if a veteran lives more than 40 miles from a VA facility or faces excessive challenges to travel to a VA facility, such as having to take a flight or boat to reach the facility or has a medical condition that makes travelling difficult for the individual.[14]

MENTAL HEALTH AND PTSD

Studies conducted between 2007 and 2009 found that between 19 and 43 percent of service members and veterans returning from Iraq and Afghanistan, along with approximately 31 percent of male Vietnam veterans, met criteria to be diagnosed with a mental disorder, depression, or post-traumatic stress disorder (PTSD).[15] In 2014, more than 1.4 million veterans received specialized mental health treatment through the VA.[16]

In light of the high prevalence, the VA has programs specifically designed to assist veterans dealing with mental health issues and to help them access necessary care. First, the VA provides care through primary care teams, which include mental health experts, and any veteran in need of specialty mental health services will be assigned a Mental Health Treatment Coordinator (MHTC). These coordinators and mental health experts receive training regarding military culture, gender differences, and ethnic issues in order to better understand the unique circumstances of each individual and the most appropriate methods of treatment. The VA is working to make services more accessible by adding more rural centers and mobile clinics. Additionally, mental health services are (supposed to be) available at VA facilities 24/7; however, a study by the National Council for Behavioral Health found that "less than half of veterans needing mental health services received any care" and only 30 percent of those "being treated for PTSD and Major Depression are receiving evidence-based care".[17]

The Veteran's Crisis Line, also available 24/7, is staffed by specially-trained responders, many of whom are veterans themselves. Since this service was first established in 2007, there have been more than 1.8 million calls and more than 50,000 lives are estimated to have been saved.[18] Beginning in 2009 and 2011, respectively, veterans are now able to anonymously chat with mental health professionals online and by text message. Since 2011, the VA has responded to more than 240,000 online chats and 39,000 texts.[19] Family members may also receive mental health services or counseling, as watching a loved one suffer can take a toll on families and caregivers as well. Additionally, the VA has special programs and services for individuals dealing with substance abuse, sexual trauma, and readjustment difficulties as well as homeless veterans.[20]

PHARMACY BENEFITS

VA facilities have their own pharmacies on-site, but 85 percent of prescriptions are filled through mail order, and may also be filled online or over the phone. Commercial retail pharmacies may be used only when a particular drug is unavailable directly through the VA.[21] The VA has its own Pharmacy Benefits Management Service (PBM) to ensure veterans are receiving the most appropriate medications, adhering to their treatment plans, and are not taking medications that may conflict with one another. The PBM is also charged with "developing and maintaining an evidence-based formulary," "standardizing the drug benefit across the VA to reduce geographic variation in cost and utilization," and "reducing drug inventory and acquisition costs."[22] Decisions regarding which drugs to include on the VA's national formulary are driven primarily by drug safety, followed by effectiveness and then cost.[23] Roughly 54 percent of all VA health care enrollees use VA pharmacy benefits.[24]

The VA also maintains "a fleet of Mobile Pharmacy vehicles"—tractor trailers strategically positioned throughout the country and fully stocked in order to quickly respond to a disaster and provide necessary medications to veterans and civilians.[25]

DENTAL INSURANCE

The VA does not currently provide dental benefits directly but has contracted with Delta Dental and MetLife to provide enrolled veterans and CHAMPVA beneficiaries the option to purchase dental insurance from one of these providers at a reduced cost.[26]

PUBLIC HEALTH

The VA participates in many public health endeavors, including typical public health needs such as vaccinations and immunizations, tobacco cessation, and general wellness as well as needs that are specific to veterans, such as Agent Orange-related diseases or exposure to radiation.[27]

Cost

TO VETERANS

Many veterans qualify to receive health care through the VA at no charge, but some are required to pay copayments for many services. Whether a veteran will qualify for free care is determined based on severity of any service-connected disability and/or financial means, which are assessed upon enrollment. Care for service-connected conditions are covered at

no cost to the veteran, as is counseling and care for sexual trauma, readjustment counseling (to assist in the transition back to civilian life), and mental health services. Some head or neck cancer treatments may also be provided at no cost, as well as combat-related care for veterans serving in a theater of combat operations after November 11, 1998. Laboratory services, electrocardiograms, and hospice care are also exempt from copayments.[28]

For those who do not qualify for free care, cost-sharing is limited. Veterans do not pay premiums for health care at the VA. A veteran's private or other health insurance coverage may cover the veteran's cost-sharing responsibility.[29] Some veterans with service-connected disabilities receive their medications at no cost, while others may have a copay of $8 or $9 for each 30 day supply. Copays are required even for over-the-counter (OTC) medications, including aspirin and vitamins, if purchased from the VA pharmacy.[30] Outpatient primary care visits are $15, while specialty care services cost $50 per visit. Individuals in Priority Group 7 must pay 20 percent coinsurance for inpatient stays, while those in Group 8 must pay the full cost for inpatient stays.

TO GOVERNMENT

The budget authority for the VHA in FY2015 is estimated to be $59 billion (37 percent of all spending by the VA. This money will be used to serve nearly 7 million patients needing approximately 903,000 inpatient stays and more than 98 million outpatient visits.[31] Average spending per patient in 2014 was $5,742. Expenditures for veterans in Priority Group 1 averaged $11,702, but spending was highest for veterans in Priority Group 4: $22,109—nearly double Priority Group 1.[32] Mental health services will account for approximately 12 percent of the VHA's budget, or $7 billion in 2015, more than any other type of care.[33] Pharmaceutical costs for the VHA averaged $371 per enrollee in FY2013, for a total of $3.3 billion for 143 million prescriptions.[34] Care provided outside VHA facilities accounted for approximately 10 percent of the VHA's budget in 2013.[35] The VHA also spends a significant portion of its budget on research—nearly $586 million in 2014, and the FY16 budget requests $10 million for a "Learning Health Care System" initiative.[36]

In order to minimize the cost to the VA, federal law requires that the VHA bill any health insurance carrier—including Medicare, Medicaid, and TRICARE—which provides coverage to the veteran or individual receiving treatments from the VA, unless the treatments are for a service-connected condition.

Conclusion

Most veterans are eligible for enrollment in the Veterans Health Administration health care program. However, limited funding prevents all eligible veterans from being able to enroll.

Given current budget constraints and ongoing military conflicts, it is unlikely this will change soon. The number of veterans with a service-connected disability is unfortunately likely to be higher following times of war, and particularly so now given improvements in the availability and quality of care provided on the battlefield compared with wars past when the same injuries were more likely to result in death. As the number of injured veterans increases, fewer veterans without a service-connected disability or other conditions will be able to enroll. Thus, approximately 60 percent of veterans will remain unserved by the VHA either because they are not allowed to enroll or choose not to enroll, perhaps because the co-payments are too high, getting to a VA facility to receive care is not convenient, or they have other health care coverage.

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[1] http://www.va.gov/health/