

A collection of military medals and a pair of glasses on a wooden surface. The medals include a red ribbon with a circular emblem, a blue ribbon with a circular emblem, and two large silver stars with intricate designs. A pair of gold-rimmed glasses with a thin wire bridge is positioned diagonally across the lower half of the image. The background is a light-colored, textured surface.

Forecasting VA Health Care Demand

Local Advisory Panel (LAP)
Administrative & Public Meetings
VA West Los Angeles
May 5-6, 2005



Health Care Demand: Milliman Actuary Projection Validity

- ◆ CARES Commission Report:
 - “CARES model provides a reasonable analytical approach for estimating VA enrollment, utilization and expenditures.”
 - Independent Commission
 - Secretary of Department of Veterans Affairs
 - Office of Inspector General
 - And others...



Health Care Demand: Milliman Actuary Projection Validity Continued

- ◆ Nationally, actual experience is within 1% of the model projections (not available locally)



Health Care Demand Data: Impact on GLA

- ◆ There will be a minimal impact on GLA because it is a land re-use study site and not a realignment site!



Demand Models

- ◆ Five Demand Models
 1. Inpatient/Outpatient Care
 2. Nursing Home Care (available soon)
 3. Domiciliary Care
 4. Spinal Cord Injury (not applicable)
 5. Blind Rehabilitation



Model factors

- ◆ Mortality rates
- ◆ Military separation rates
- ◆ % rates of active duty
- ◆ Projected new technologies and medications to prevent and/or reduce need for services
- ◆ Enrollee reliance: preference for VA services in light of other health care options
 - Wait lists
 - Varying services provided at each facility
 - Geographic location of VA facilities



Model factors Continued

- ◆ State Medicaid funding decrease
- ◆ Minor military operations, but not a major war (Iraqi veterans included unless the war is extended and or escalates in scale)
- ◆ Includes community partnership agreements



Basic Definitions

- ◆ Who is a veteran?
 - Title 38
 - Active duty/Service connected disability
- ◆ How are veterans enrolled in the VA to be eligible to receive health care benefits?
 - Veterans Health Care Eligibility Reform Act of 1996 (PL104-262) classified Enrollees by a set of priority levels



Priority Level Definitions

- ◆ 1a: Veterans with SC Conditions rated 70% or more disabling
- ◆ 1b: Veterans with SC Conditions rated 50% or more disabling
- ◆ 2: Veterans with SC Conditions rated 30% or 40% disabling
- ◆ 3: Veterans with SC Conditions rated 10% or 20% disabling




Priority Level Definitions

- ◆ 4: Veterans who are catastrophically disabled, plus others
- ◆ 5: Non-service connected veterans whose income & net worth are below the established dollar threshold, plus others



Priority Level Definitions

- ◆ 6: Catastrophically disabled
- ◆ 7: Veterans with income above VA Means Test Threshold but below the applicable Geographic Means Test threshold
- ◆ 8: Veterans not included in priority group 4,6 or 7



Inpatient and Outpatient Demand Forecasts

- ◆ CARES Business Plan Studies are aggregated by:
 - Twenty-five Categories of Care (e.g. Cardiology)
 - VA Treating Facility (e.g. VA West LA)
 - Geographic Area (where the enrollees live)



Geographic Areas

- ◆ Health Care Market Area - A geographic area having a sufficient population and geographic size both to benefit from the coordination and planning of health care services through either VA facilities, DOD or private sector facilities and can support a full health care delivery system across the continuum of care. (78 markets)



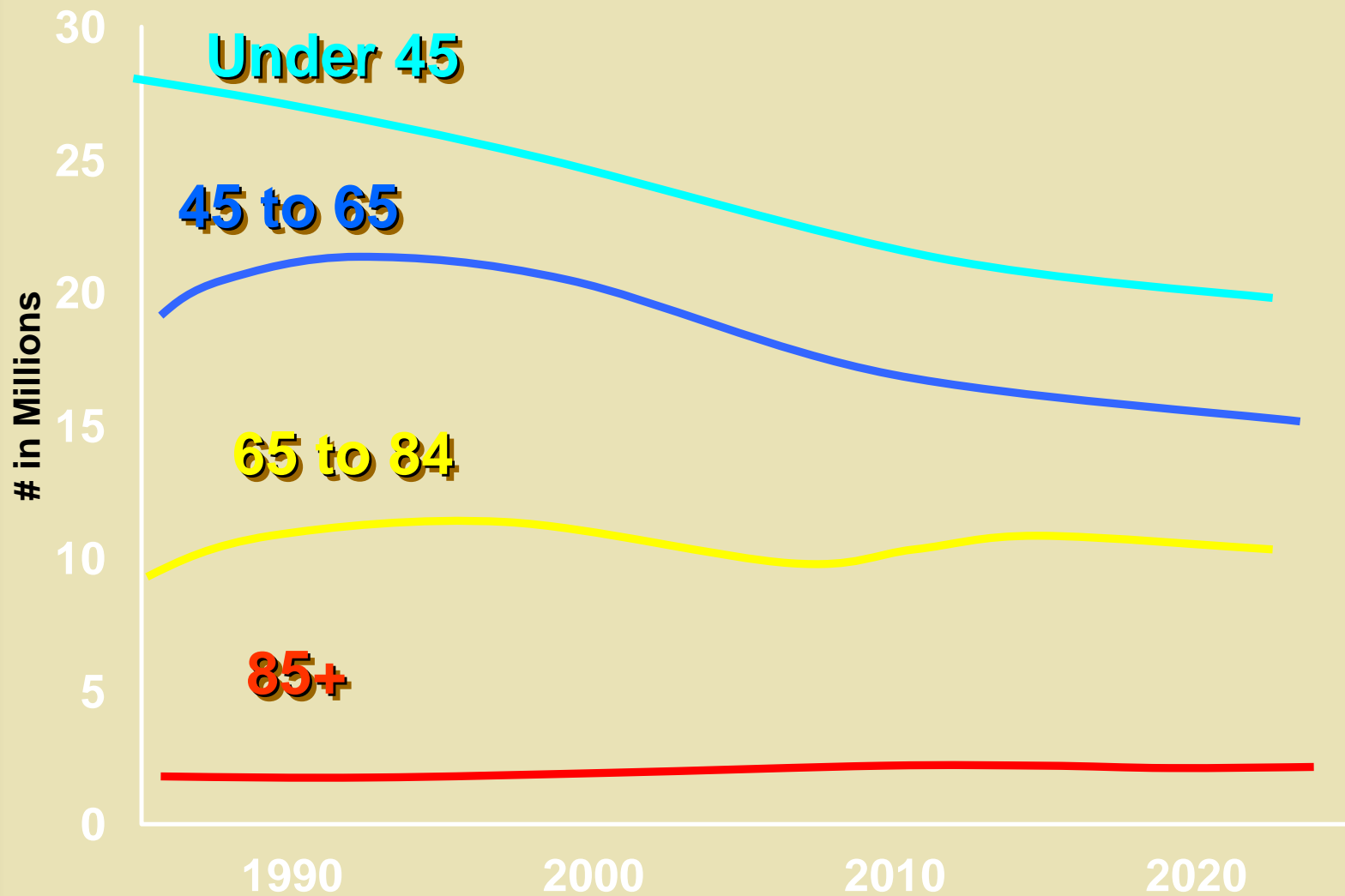
Projecting Enrolled Veteran Population

- ◆ Baseline year = 2003 and updated annually
- ◆ 25 Million Veterans as of FY 03
- ◆ 7 Million enrolled as of FY 03
- ◆ Enrollment is forecasted twenty years into the future by:
 - Age groups
 - Gender
 - Priority groups
 - Geographic areas

VA National Level Demand Forecasts

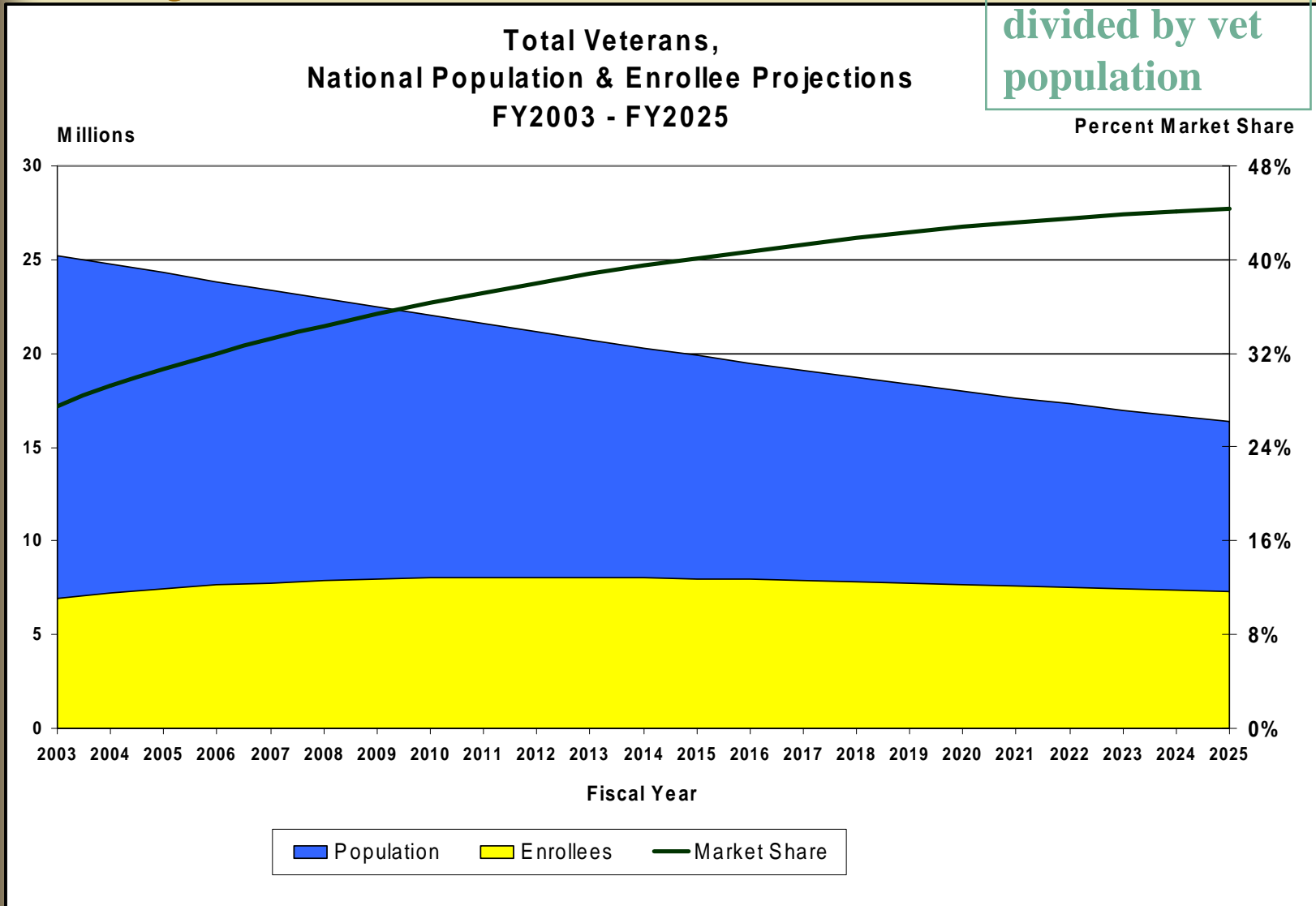
CARES Implementation Categories	Inpatient Medicine	Primary Care
FY 03 Actual	2.0M Bed Days	15.6M Clinic Stops
FY13 Model Projection	2.3M	17.7M
% Change FY13 – FY03	11%	13%
FY23 Model Projection	2.0M	16.3M
% Change FY23 – FY03	0%	4%

Only Age Group Projected to Increase - Veterans Over 84 yrs

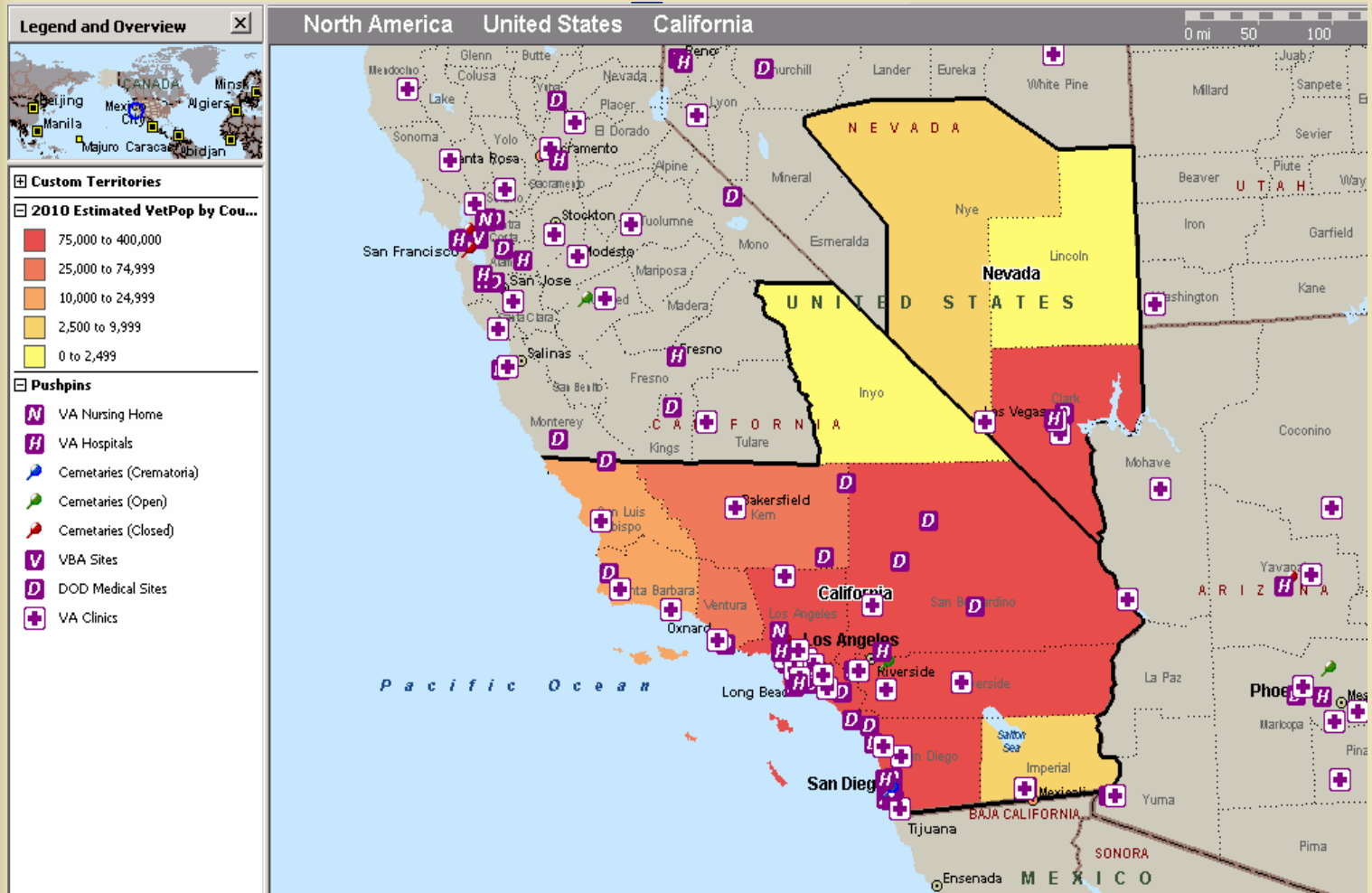


Veteran Population & Enrollee Projections

Market share =
of enrollees
divided by vet
population




VISN 22 CARES Markets - NV and CA (3 CA Sub Mkts)





CA Coastal Sub-Market

- ◆ Includes the coastal and metropolitan counties of San Luis Obispo, Santa Barbara, Ventura, Kern, Los Angeles, and Orange.
- ◆ Primary transportation corridors are Interstates 5, 10, US 101, CA 14, and all bypass freeway corridors
- ◆ Sub-Market projected to have 30% decrease in the number of veteran enrollees through 2023.

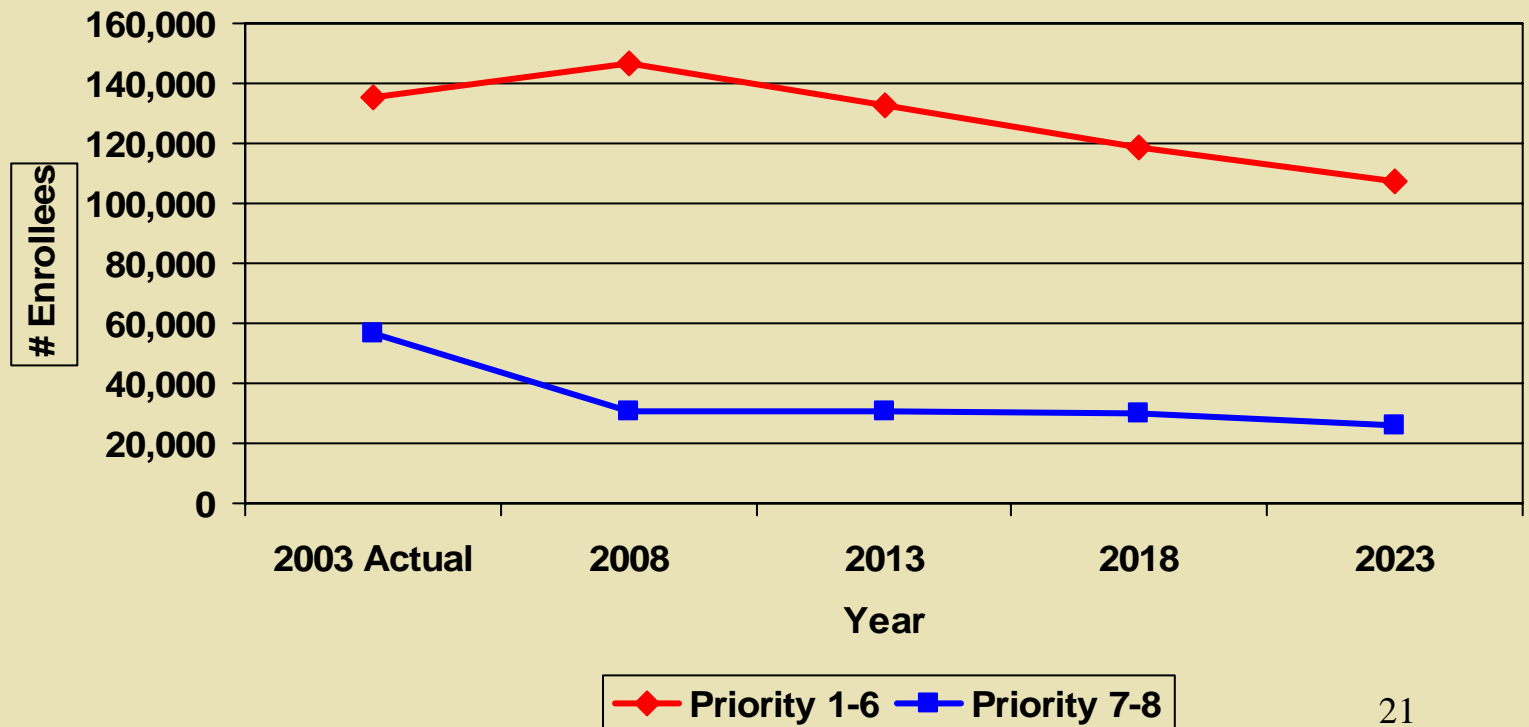


CA Coastal Sub-Market (Cont.)

- ◆ Health care services available to veterans include primary care, mental health, inpatient care, tertiary care and long term care.
- ◆ Sub-Market area has major tertiary referral centers located at Greater Los Angeles (West LA), and Long Beach. There are 12 CBOC's assigned to the GLA parent, and 4 CBOC's assigned to the Long Beach parent.

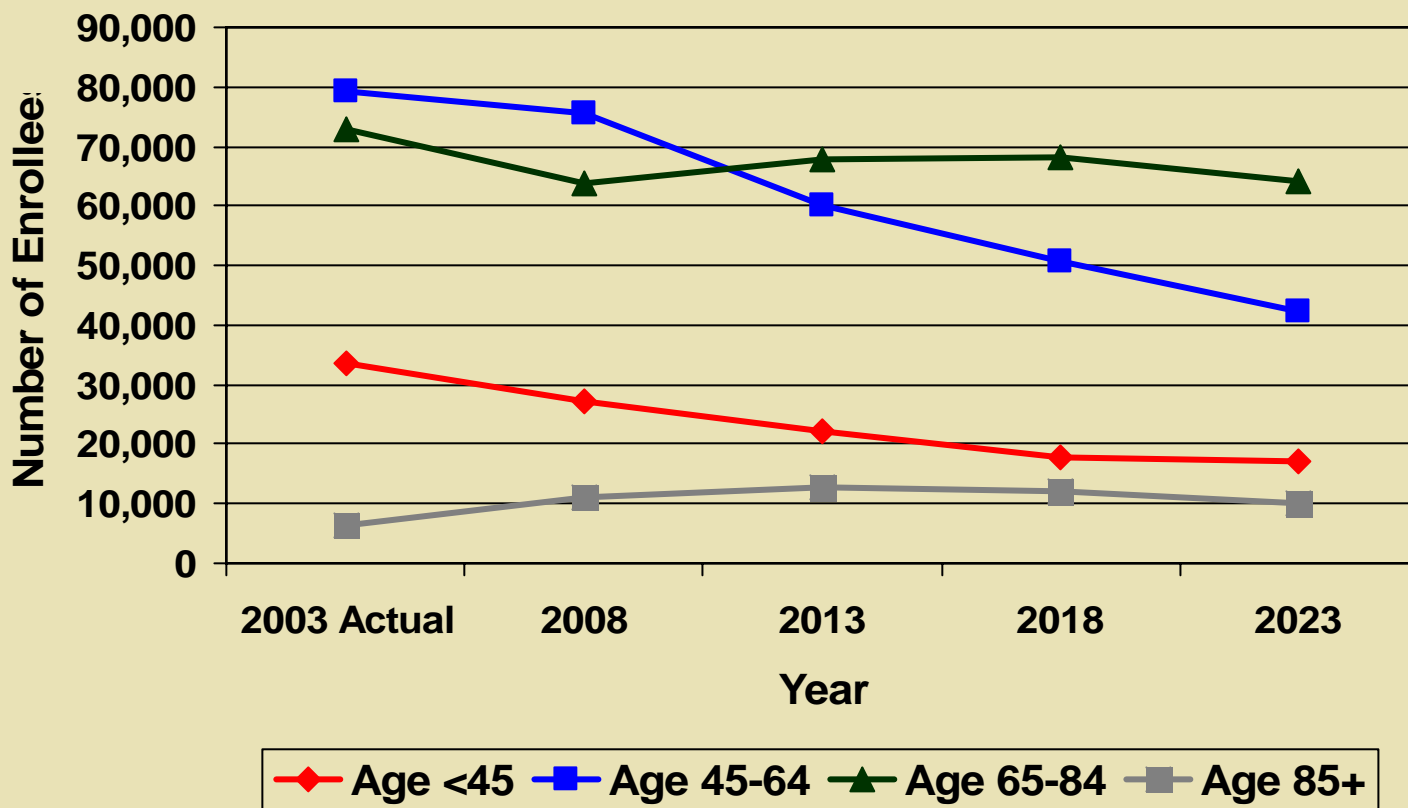
Enrollment and Demand Forecasts

Enrollment by Priority Group VISN 22 CA Coastal Sub-Market

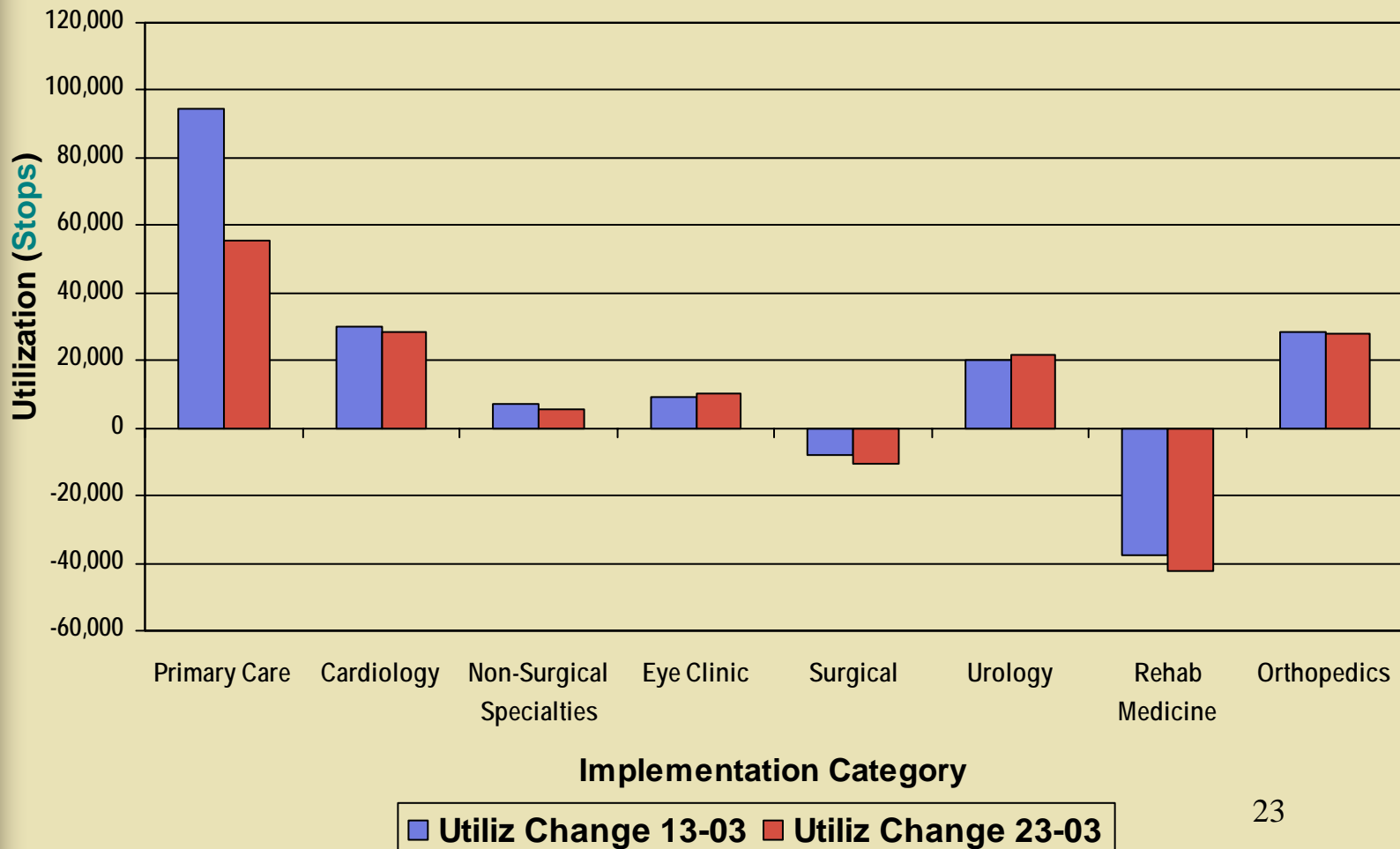


Enrollment by Age Group

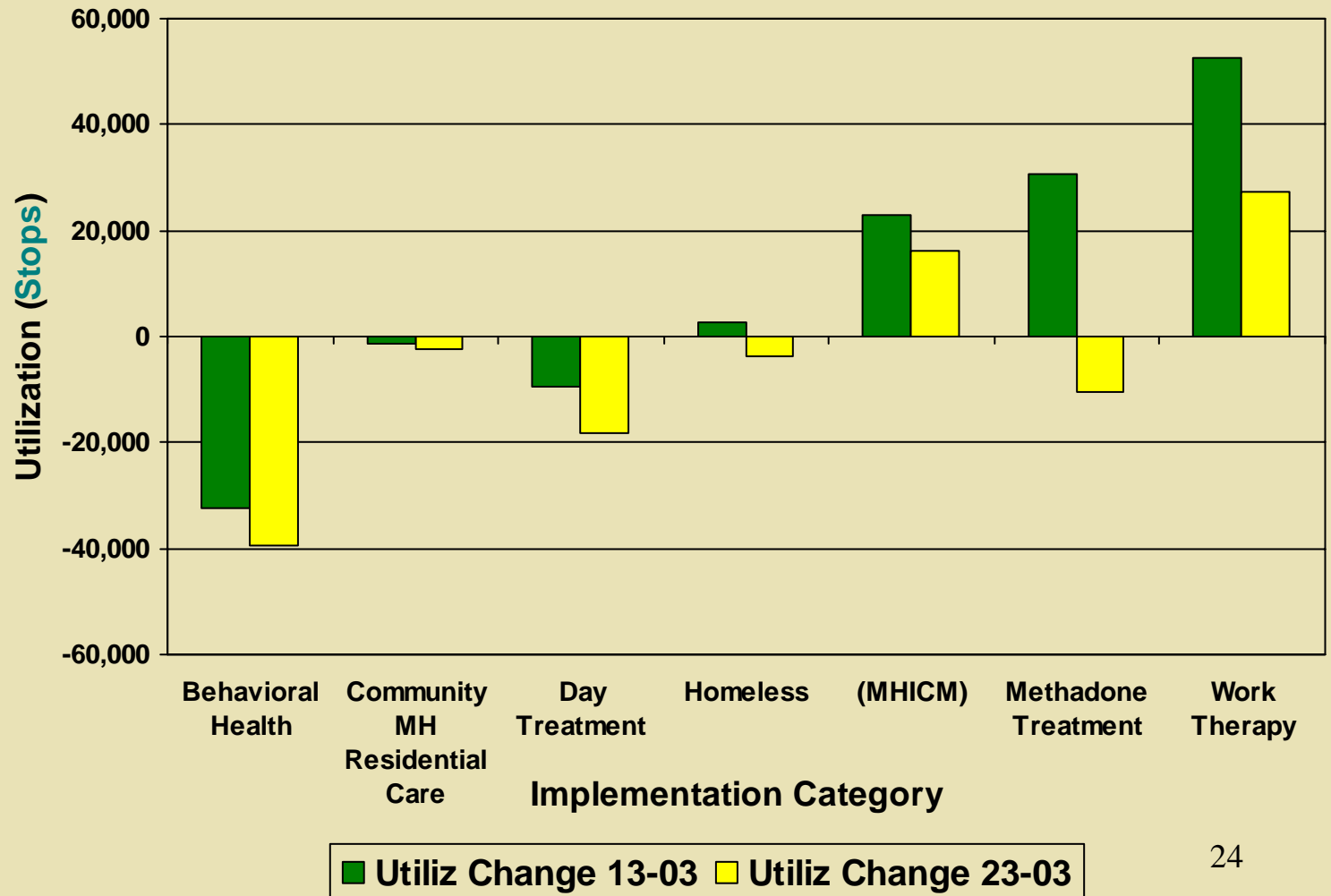
VISN 22 CA Coastal Sub Market



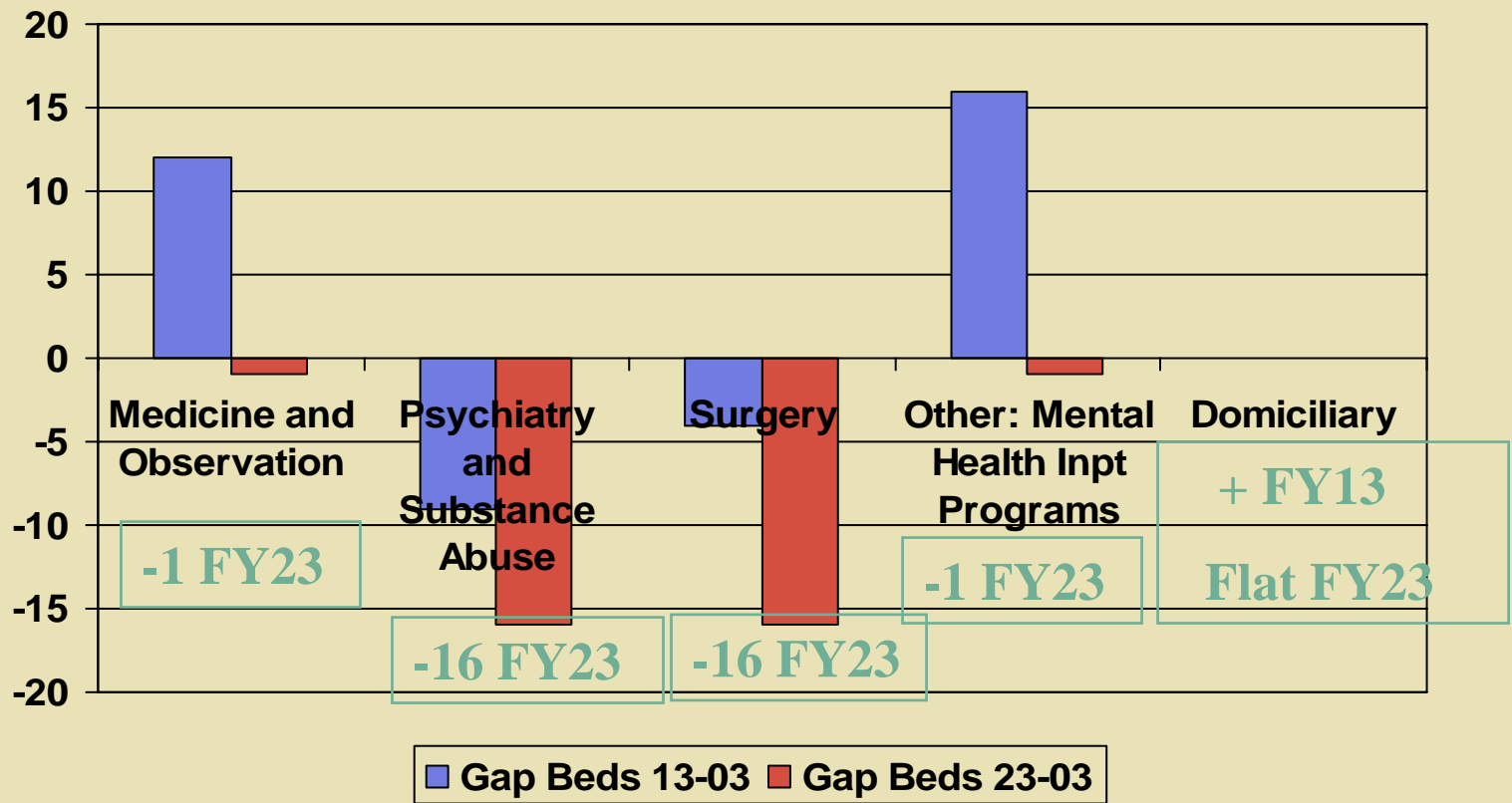
Change in Ambulatory Utilization (Stops) by Facility - VA West LA



Change in Outpatient Mental Health Program (Stops) by Facility – VA West LA



Change in Utilization (Inpatient Beds) by Facility – VA West LA





Summary: VA West LA Health Care Demand Data

- ◆ Bottom Line: there is no significant impact at GLA because it is a land re-use study site and not a realignment site!

Questions?