

A collection of military medals and a compass are arranged 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 and a thin metal rod with red-tipped ends are also visible. In the bottom left corner, a circular compass with a white face and black markings is partially visible.

# Forecasting VA Health Care Demand

Local Advisory Panel (LAP)  
Public Meeting: Louisville VAMC  
April 29, 2005



# Presentation Outline

- ◆ Basic Definitions
  - Veteran
  - Priority Groups
- ◆ Projecting Enrollment & Veteran Population
  - Review of National & Local Projections
- ◆ Inpatient and Outpatient Demand Model
  - Review of National & Local Demand Forecasts



# Basic Definitions

## ◆ Who is a veteran?

- Title 38 definition of veteran is an active duty member who serves their tour of duty or is discharged because of a SC disability or while in training with other than dishonorable discharge.
  - Reservists qualify as veterans when they are:
    - called by Presidential order and are other than dishonorably discharged; or
    - when they serve 20 year reserve commitment.

# Basic Definitions

- ◆ 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 Levels 1-6: Service connected, low income, catastrophically disabled, or chemically exposed
    - Priority Levels 7-8: Higher income



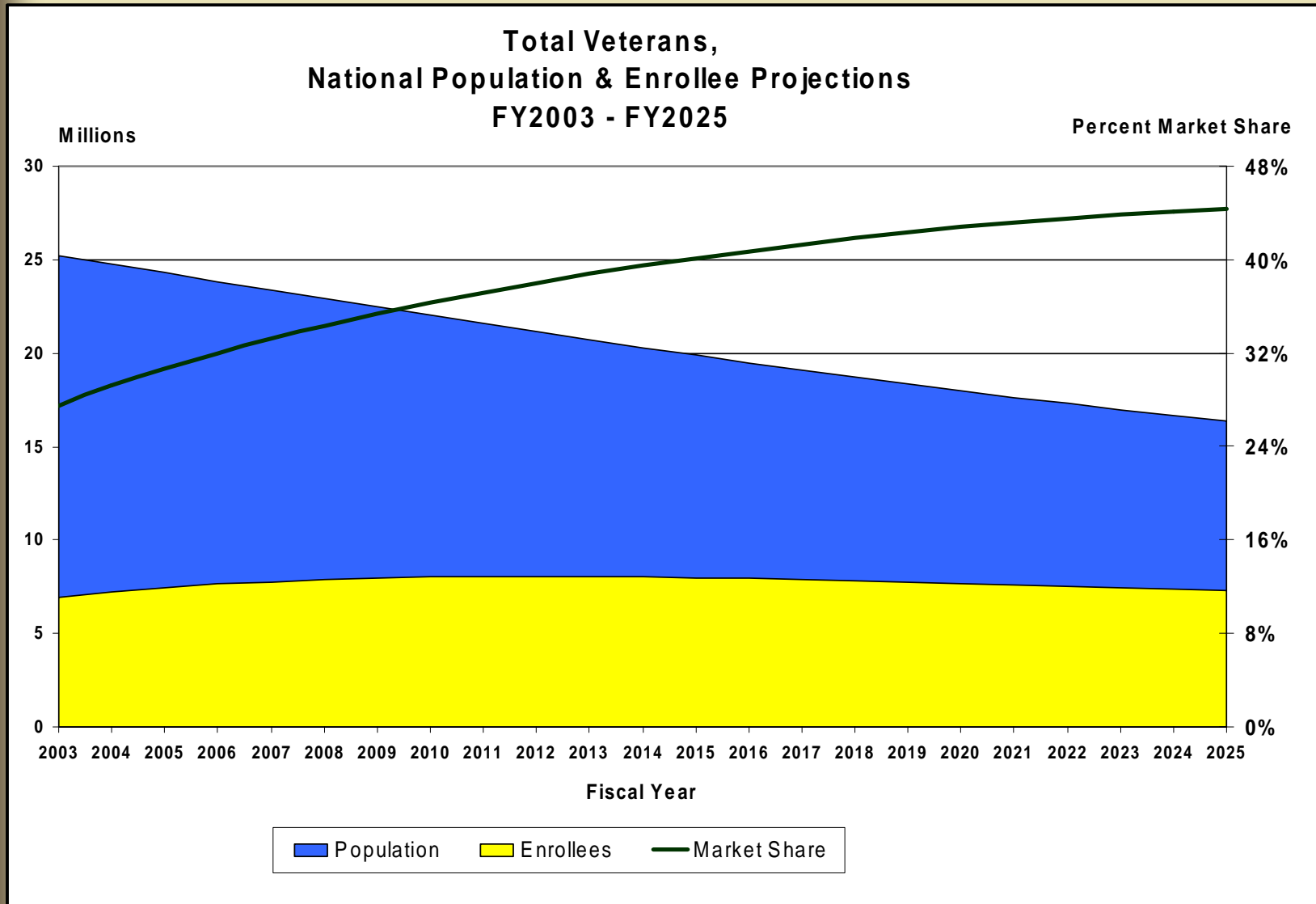
Priority



# Projecting Enrolled Veteran Population

- ◆ 25 Million Veterans as of FY 03
  - 7 Million Enrolled
- ◆ Enrollment is forecasted twenty years into the future by:
  - Age groups,
  - Gender,
  - Priority groups,
  - Geographic areas

# Veteran Population & Enrollee Projection

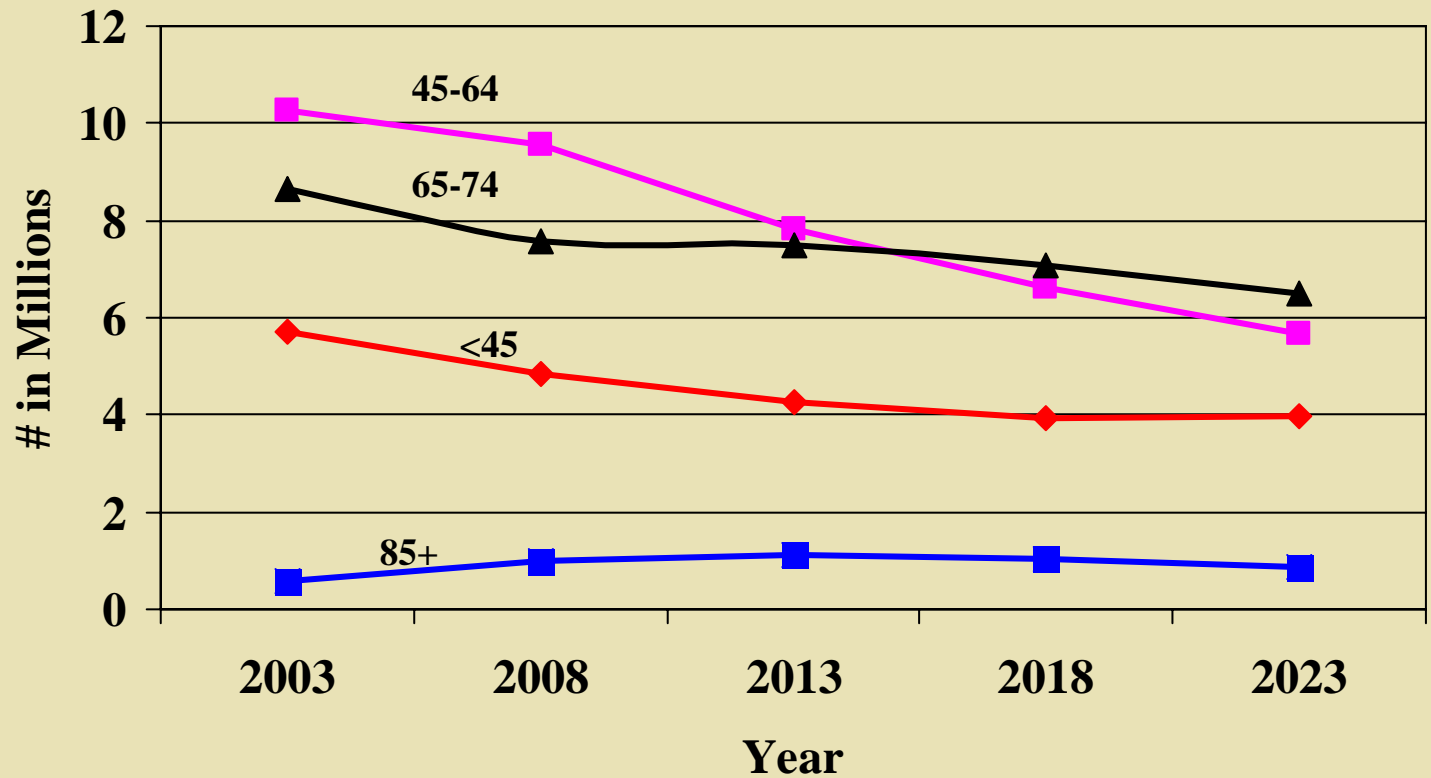




# How good are these projections?

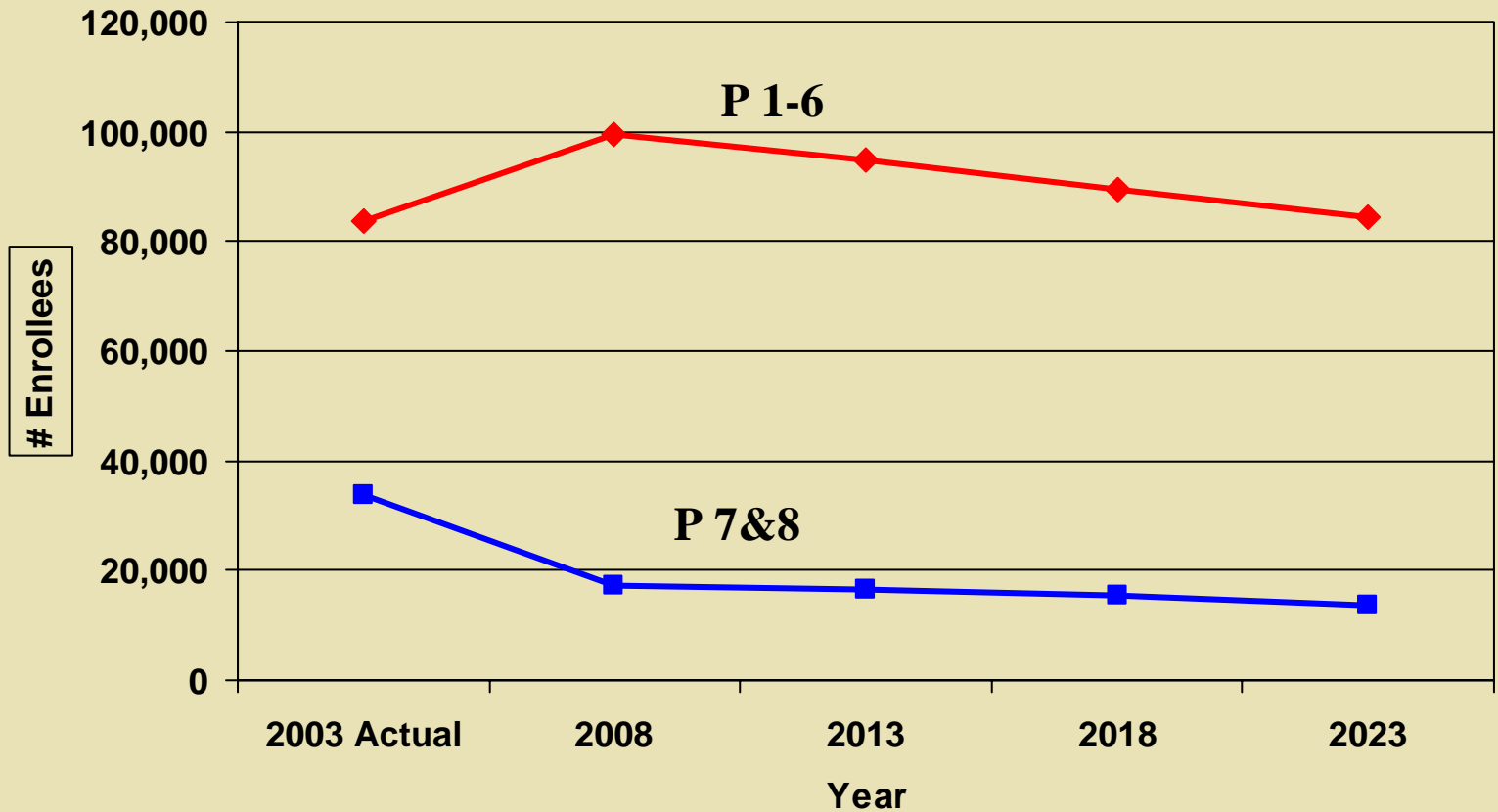
- ◆ 1990 model projections were off by 1% compared with actual 2000 census
- ◆ Takes into account new veterans based on DoD planned force strength; mortality rates; and migration rates
  - Assumption: No new major war
- ◆ Forecasts get weaker as we go out in time and down in level

# Veteran Population by Age Group National Level

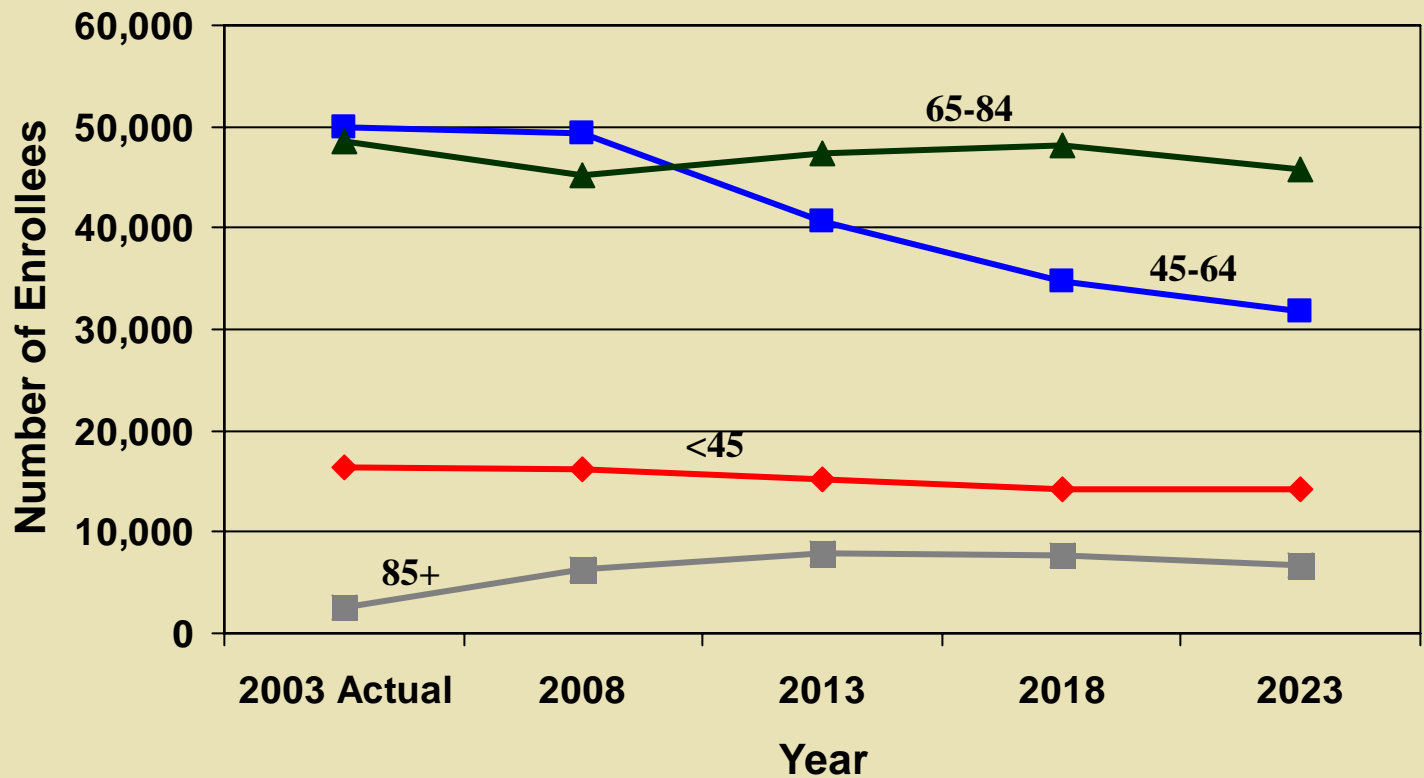




# Enrollment Projections by Priority Group (VISN 9 Northern Market)



# Enrollment by Age Group (VISN 9 Northern Market)





# Inpatient and Outpatient Demand Model

## ◆ Private Sector Based Services

- Based on private sector benchmarks that have been adjusted for the characteristics of the enrollee population and the VA health care delivery system

## ◆ Starting Utilization

- Private Sector Benchmarks (Milliman Health Cost Guidelines)



# Major Adjustments/Considerations

- ◆ Benefit Design: Covered Benefits and Co-pay Structure
- ◆ Geographic Area
- ◆ Degree of Health Care Management
- ◆ Age/Gender
- ◆ Reliance on VA for health care
- ◆ Morbidity
- ◆ Residual Experience Differences (Actual-to-Expected)
- ◆ Other (Trends in medical care, intensity of services)



# Reliance Factor Issues

- ◆ Enrollee reliance varies ...
- ◆ Enrollee preference for VA services in light of other health care options
- ◆ Supply available in VA health care system in a given geography:
  - Wait lists
  - Varying services provided at each facility
  - Geographic location of VA facilities



# Inpatient and Outpatient Demand Forecasts

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

# VA National Level Demand Forecasts

<b>Measure/Year</b>	<b>Inpatient Medicine Category</b>	<b>Primary Care Category</b>
<b>Unit of Work</b>	<b>Bed days of Care</b>	<b>Clinic Stops</b>
<b>FY 03 Actual</b>	<b>2.0m</b>	<b>15.6m</b>
<b>FY13 Model Projection</b>	<b>2.3m</b>	<b>17.7m</b>
<b>% Change FY13 – FY03</b>	<b>11%</b>	<b>13%</b>
<b>FY23 Model Projection</b>	<b>2.0m</b>	<b>16.3m</b>
<b>% Change FY23 – FY03</b>	<b>0%</b>	<b>4%</b>



# CARES Commission Report

- ◆ “CARES model provides a reasonable analytical approach for estimating VA enrollment, utilization and expenditures.”

NOTE: Milliman model was reviewed by 2 economic consultants and gave above opinion.

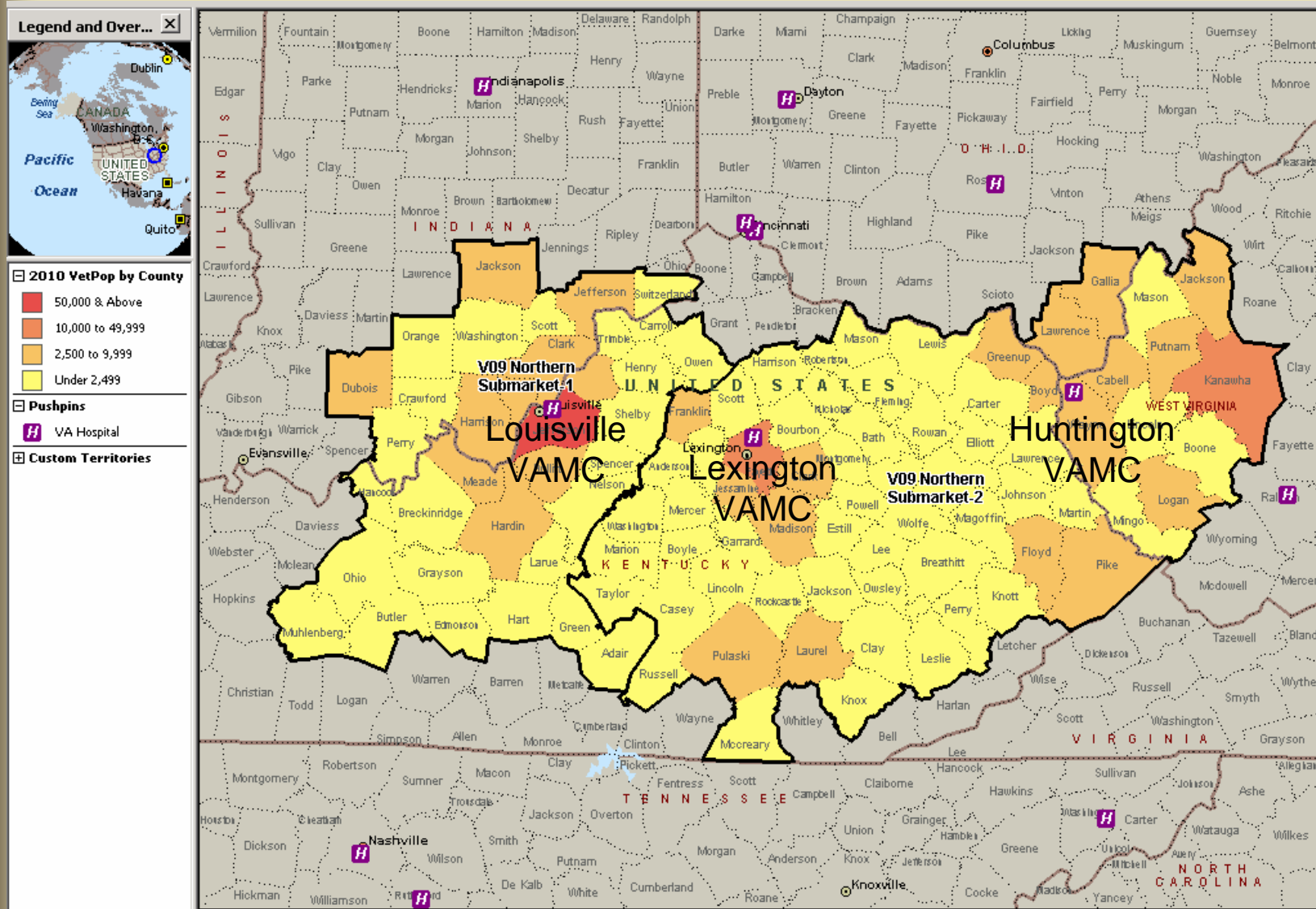




# Projecting Health Care Demand at a Market Area Level

- ◆ 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)

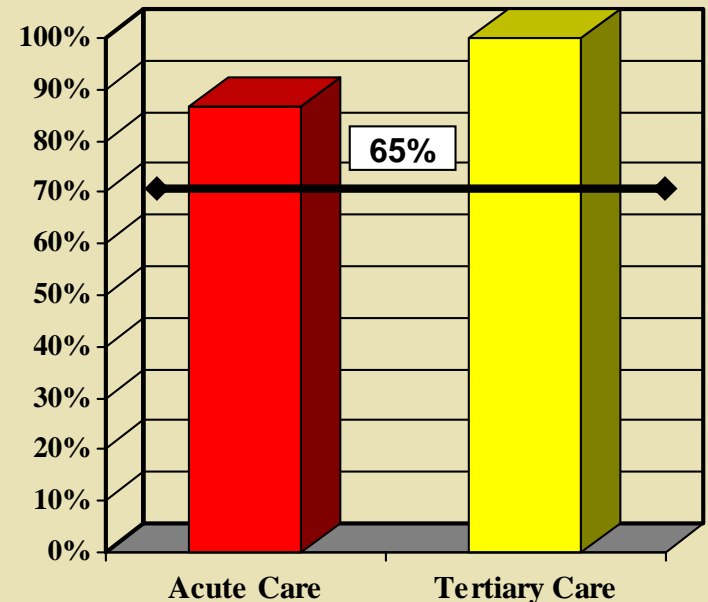
# VISN 9 Northern Market Map



# Description of Northern Market

- ◆ The Northern market consists of counties in Kentucky and West Virginia with some bordering counties in Ohio, Indiana and Tennessee. This large market area is divided into two sub markets.
  - Sub-market 1 served by:
    - Louisville
  - Sub-market 2 served by:
    - Lexington-Cooper Dr.
    - Lexington-Leestown
    - Huntington

**% Enrollees Within Access  
(Drive Time) Guidelines, FY03**

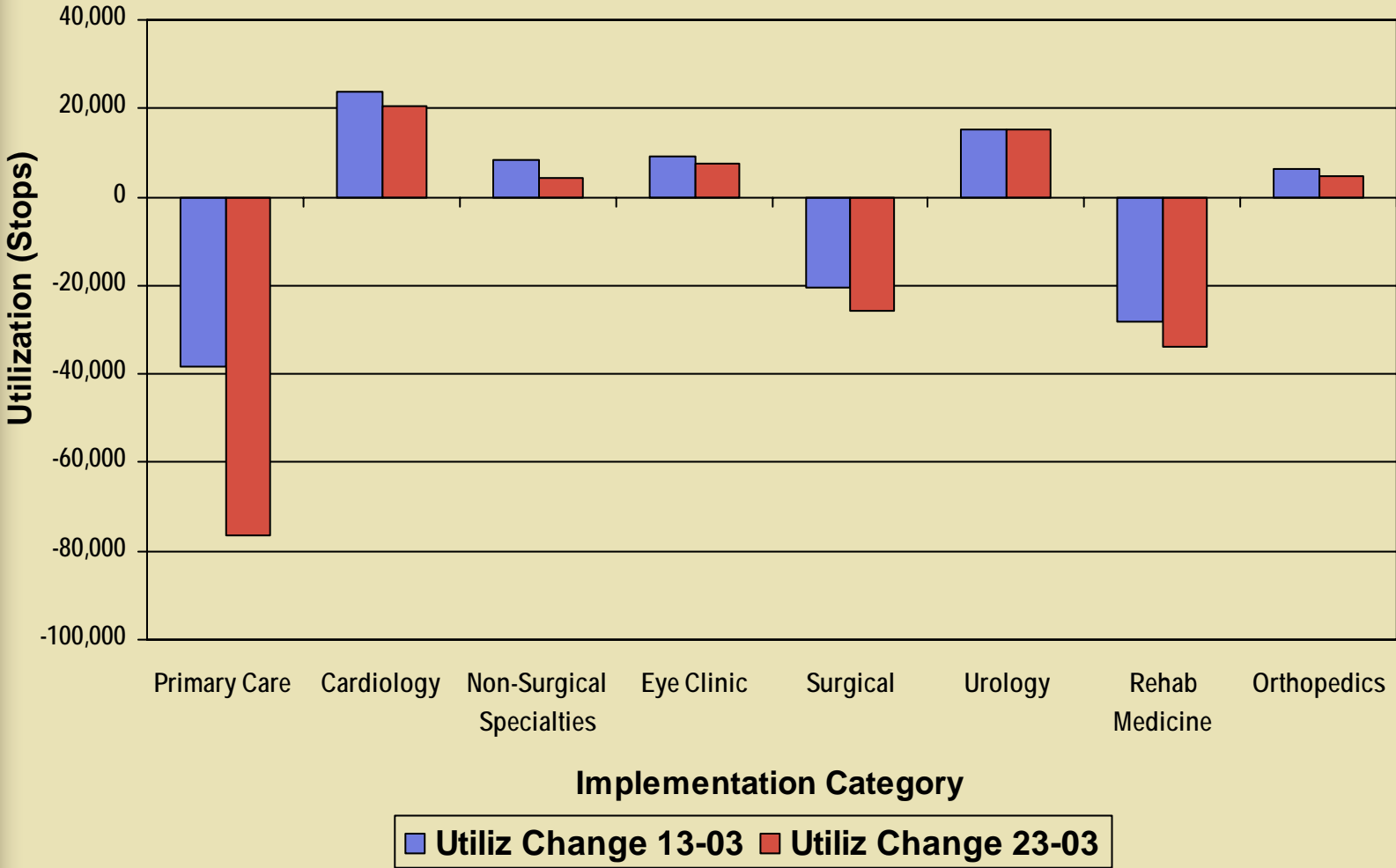


◆ This represents the Travel Time Guideline.

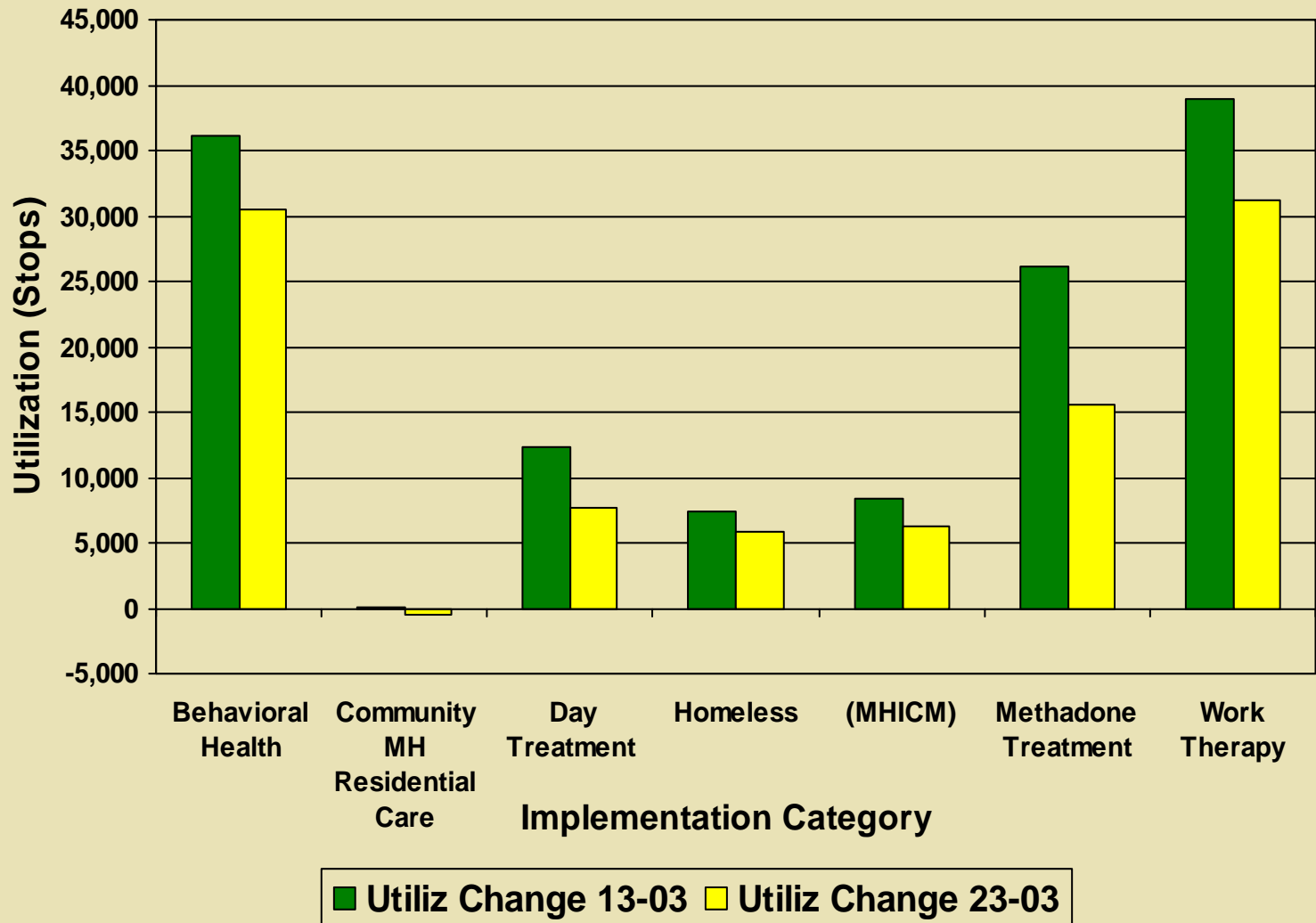


Access Guidelines

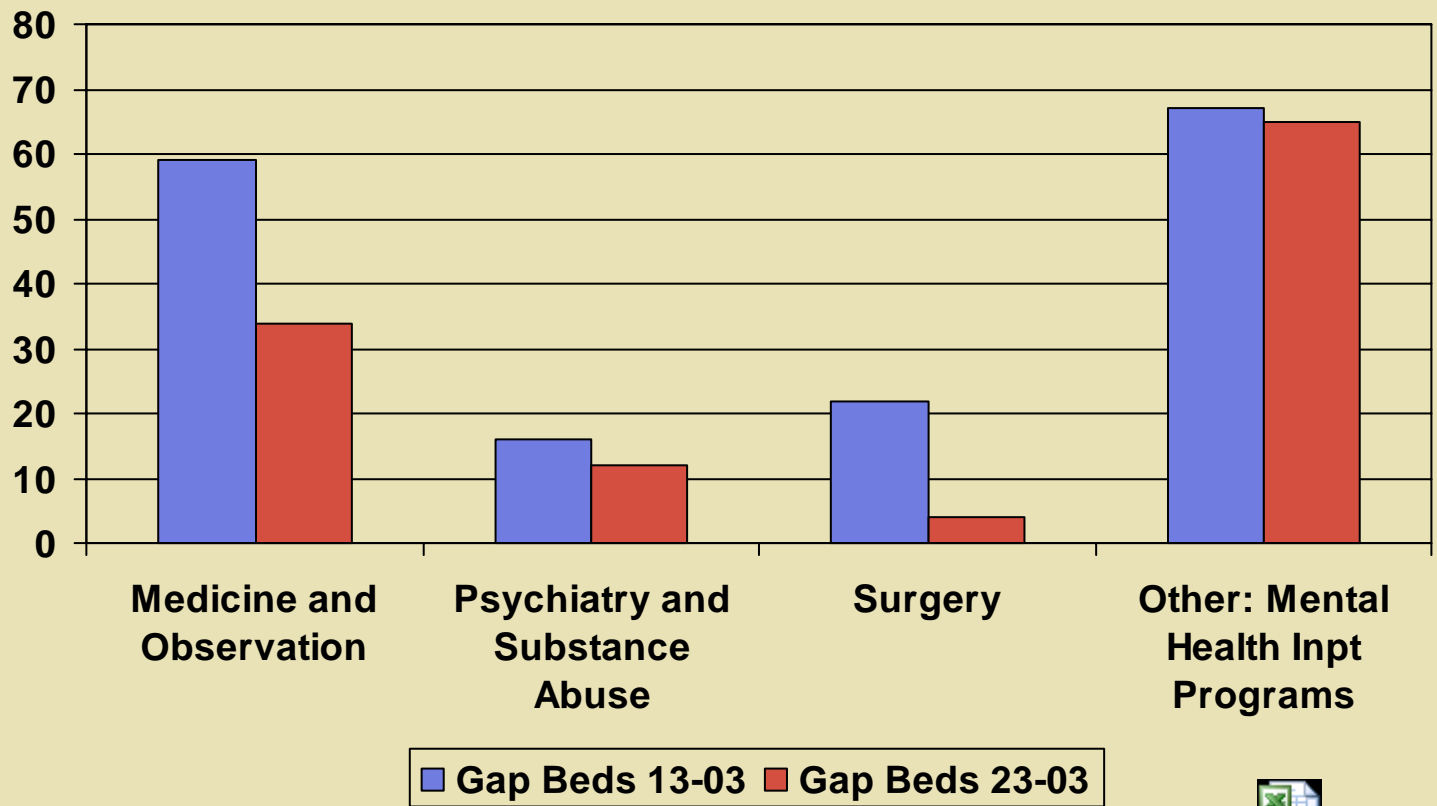
# Change in Utilization (Ambulatory) for VISN 9 Northern Market



# Change in Utilization (Outpatient Mental Health Program) for VISN 9 Northern Market



# Change in Utilization (Inpatient) for VISN 9 Northern Market



# Percent Change in Inpatient Beds and Outpatient Stops: Louisville VAMC

