

DATA BRIEF:

New York Veterans' Health Insurance Coverage under the Affordable Care Act and Implications of Repeal and Replace

Background

The Affordable Care Act (ACA) introduced dramatic changes to the U.S. health insurance and health care delivery landscape. Today the number of Americans lacking health insurance stands at a historic low, and the ACA is credited with reducing the number of uninsured by nearly 20 million.¹

Veterans are among those Americans who benefited from the ACA. Not all veterans are eligible for Department of Veterans Affairs (VA) health care; eligibility is based on factors such as length of military service and having a health condition connected to military service. Many veterans who are enrolled in VA health care also have another source of health coverage, such as private coverage or Medicare. On average, veterans who use VA health care receive about 30% of all their care from the VA.²

While the ACA did not directly affect veterans' eligibility to enroll in or receive VA care, there were important spillover effects of the ACA coverage expansion on veterans and, ultimately, the VA. With the ACA's coverage expansions, some uninsured veterans may have chosen to enroll in VA health care to obtain qualifying coverage and avoid individual mandate penalties. Other uninsured low-income veterans, including some who were previously enrolled to receive VA health care or expected to use VA health care in the future, may have qualified for subsidies to purchase coverage in insurance Marketplaces, or they may have lived in states that opted to expand Medicaid. These individuals may have transitioned out of the VA health care system and into the community setting to receive some or all of their care.

Methods in Brief

NYSHealth and the Robert Wood Johnson Foundation supported the RAND Corporation to assess the impact of the ACA on non-elderly veterans' insurance coverage and demand for VA health care. The study also examines the coverage and VA utilization changes that could result from repealing the ACA and implementing a replacement bill similar to the American Health Care Act (AHCA) debated in Congress in 2017. The research uses data from the

1 Ubero, N., Finegold, K., and Gee, E. *Health Insurance Coverage and the Affordable Care Act, 2010-2016*. Department of Health and Human Services: Office of the Assistant Secretary for Planning and Evaluation, 2016. As of September 27, 2017: <https://aspe.hhs.gov/pdf-report/health-insurance-coverage-and-affordable-care-act-2010-2016>.

2 Eibner, C., Krull, H., Brown, K., Cefalu, M., Mulcahy, A.W., Pollard, M., ... Farmer, C.M. *Current and Projected Characteristics and Unique Health Care Needs of the Patient Population Served by the Department of Veterans Affairs*, Santa Monica, Calif.: RAND Corporation, RR-1165/1-VA, 2015. As of September 27, 2017: https://www.rand.org/pubs/research_reports/RR1165z1.html.

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American Community Survey to measure changes in insurance coverage for non-elderly veterans (under age 65) after the major coverage expansions from the ACA were implemented in 2014. Specific areas of emphasis included changes in non-VA insurance coverage among those with VA coverage, the effects of state Medicaid expansion decisions, and effects on subgroups of veterans distinguished by eligibility for VA care and geographic proximity to VA facilities. To quantify the effects of ACA repeal, this study combined VA population estimates, data from federal household surveys, and microsimulation output from RAND's Comprehensive Assessment of Reform Efforts (COMPARE) model to analyze how coverage changes similar to those anticipated under the AHCA would affect veterans' use of health care from VA and other sources.

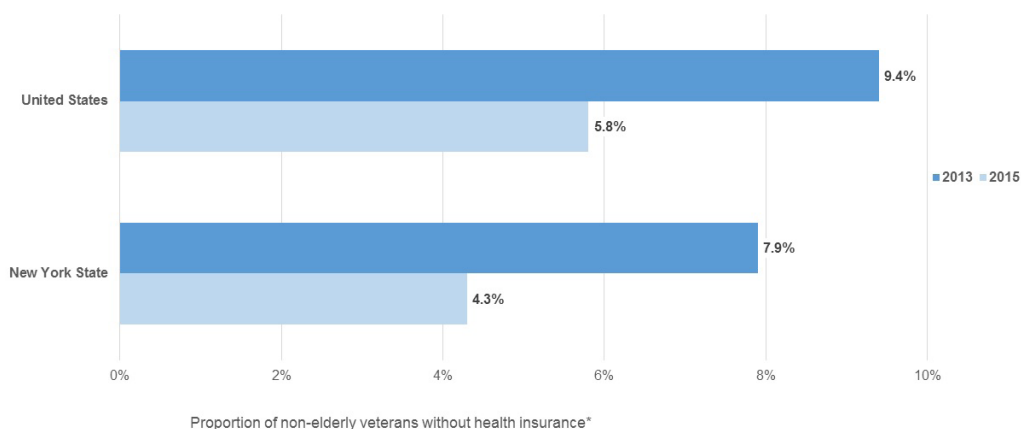
The full report is available [here](#).

Key National and New York State Findings

The ACA Increased Coverage for Non-Elderly Veterans

- After the major ACA coverage expansions took effect, the percentage of non-elderly veterans without any form of health insurance decreased nationally and within New York State.
- Nationally, the proportion of non-elderly veterans who were uninsured fell 38.3%, dropping from 9.4% in 2013 to 5.8% in 2015 (**Exhibit 1**).
- In New York State, the proportion of non-elderly veterans who were uninsured fell by 45.6% (from 7.9% in 2013 to 4.3% in 2015). New York's expansion of Medicaid eligibility contributed to a larger decline in the uninsured population when compared to the national average.

Exhibit 1. Proportion of Non-Elderly Veterans without Health Insurance, 2013 vs. 2015



Note: *RAND estimated adjusted and unadjusted proportions for national estimates. These estimates are unadjusted to be consistent with the state estimates. Adjustments were made for various demographic and service era variables.

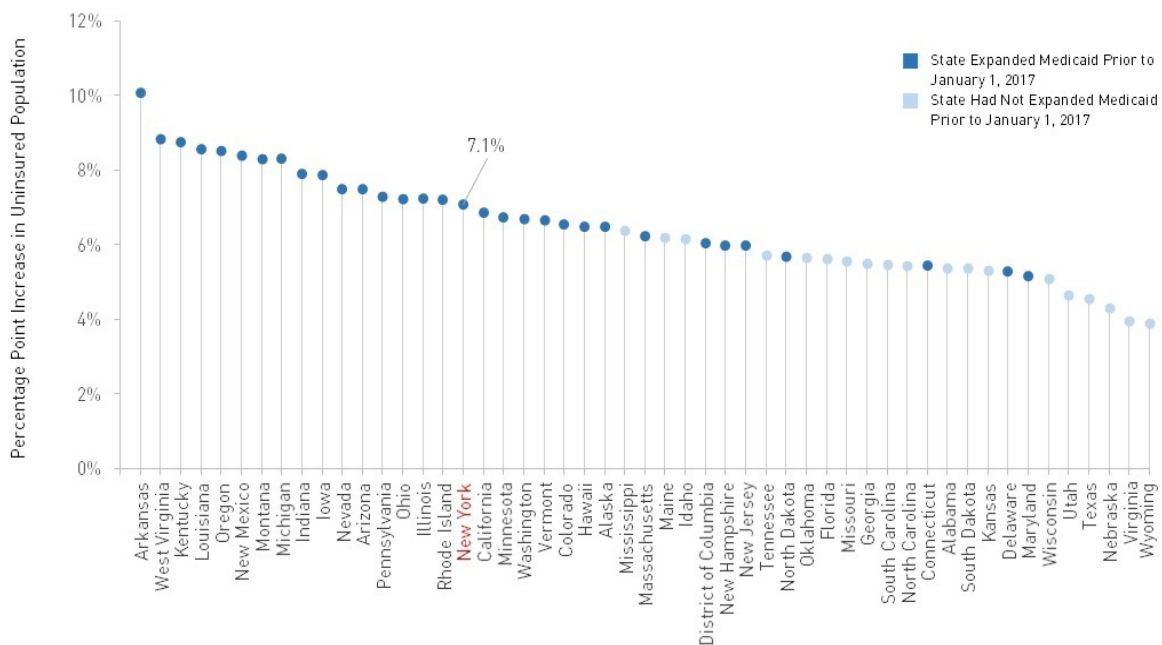
Source: Dworsky, M., Farmer C., and Shen, M. *Veterans' Health Insurance Coverage Under the Affordable Care Act and Implications of Repeal for the Department of Veterans Affairs*, Santa Monica, Calif.: RAND Corporation, RR-1955-NYSHF/RWJF, 2017. State-level data available at https://www.rand.org/pubs/research_reports/RR1955.html.

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Repealing and Replacing the ACA Would Reverse Coverage Gains

- The rate of uninsured among non-elderly veterans would rise following a repeal of the ACA and an implementation of a replacement bill similar to the AHCA. The following findings reflect impacts anticipated under the AHCA in 2026, when its legislated changes to the Marketplaces would be fully phased in and the conversion of federal Medicaid funding to a capped allocation would have been in effect for six years.
- Because a replacement bill such as the AHCA would limit Medicaid funding relative to the status quo, states that expanded Medicaid eligibility under the ACA are typically projected to see the largest decreases in coverage for non-elderly veterans.
- In New York State, the proportion of non-elderly veterans who are uninsured is projected to rise 7.1 percentage points, from 4.3% to 11.4% (**Exhibit 2**), which is a larger increase relative to any state that did not expand Medicaid eligibility.
- Among the 32 states that expanded Medicaid eligibility, New York's predicted increase in the uninsured rate ranks near the center (17th).

Exhibit 2. Increase in Uninsured Proportion of Non-Elderly Veterans under an ACA Repeal and Replace Plan, by State



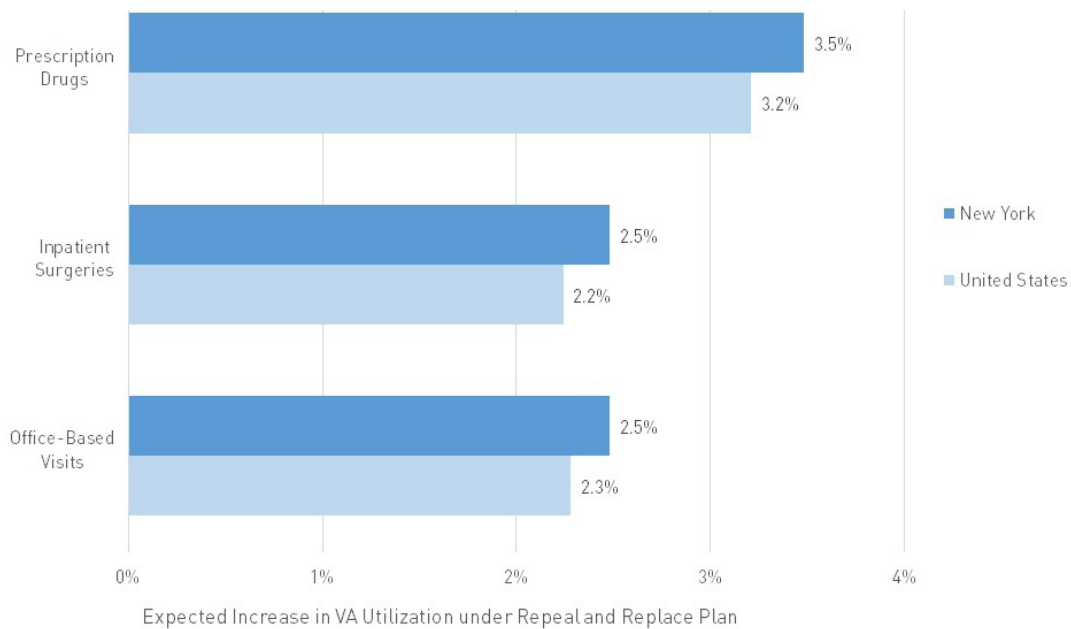
Source: Dworsky, M., Farmer, C., and Shen, M. *Veterans' Health Insurance Coverage Under the Affordable Care Act and Implications of Repeal for the Department of Veterans Affairs*, Santa Monica, Calif.: RAND Corporation, RR-1955-NYSHF/RWJF, 2017. State-level data available at https://www.rand.org/pubs/research_reports/RR1955.html.

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Repealing and Replacing the ACA Would Result in Greater Reliance on the VA by Non-Elderly Veterans

- ACA repeal and replacement would result in non-elderly veterans using fewer health care services overall, including both VA and non-VA care: 1.7% fewer office visits, 1.8% fewer inpatient surgeries, and 1.7% fewer prescription drugs, nationally.
- While the amount of health care used by non-elderly veterans would decrease overall, their reliance on services provided through the VA would increase (**Exhibit 3**). The patterns are similar in the nation and New York State.
- Utilization of VA services in New York State by non-elderly veterans would increase 2.5% for office-based visits, 2.5% for inpatient surgeries, and 3.5% for prescription drugs.

Exhibit 3. Increase in Non-Elderly VA Health Care Utilization under ACA Repeal and Replace



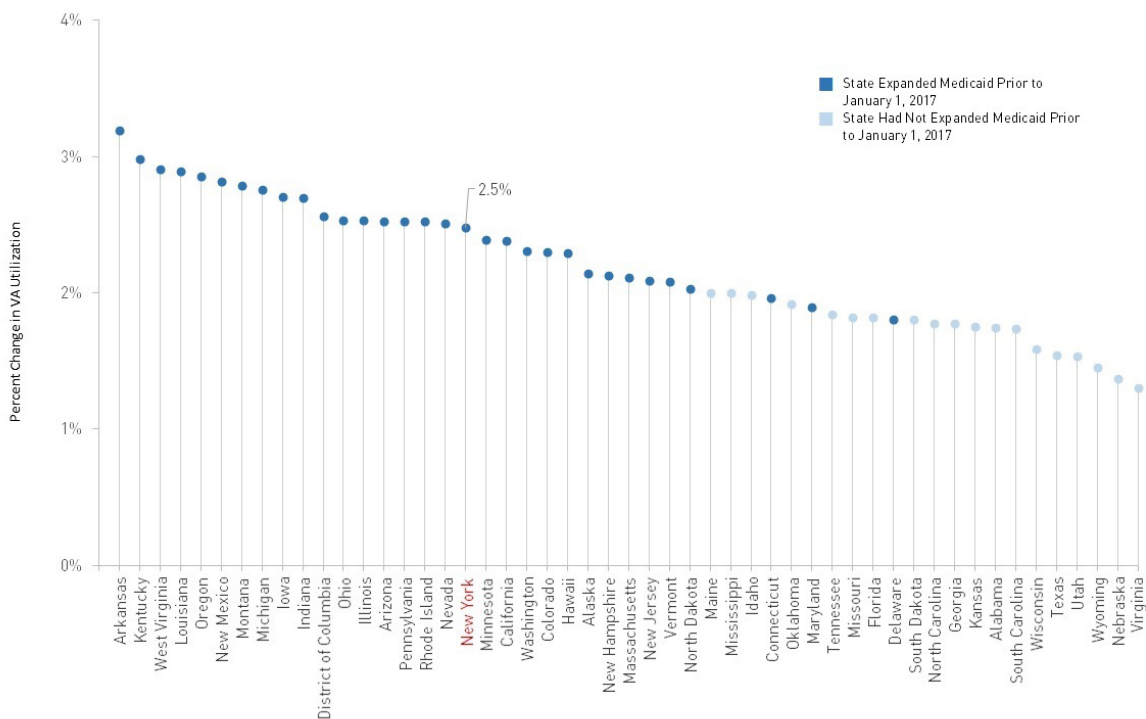
Source: Dworsky, M., Farmer, C., and Shen, M. *Veterans' Health Insurance Coverage Under the Affordable Care Act and Implications of Repeal for the Department of Veterans Affairs*, Santa Monica, Calif.: RAND Corporation, RR-1955-NYSHF/RWJF, 2017. State-level data available at https://www.rand.org/pubs/research_reports/RR1955.html.

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Increase in VA Utilization in New York Relative to Other States

- States that expanded coverage under the ACA are also more likely to see larger increases in demand for VA care, as they experience the largest decreases in other coverage. Increases in the use of VA office-based visits is shown in **Exhibit 4**; similar trends across states occur for inpatient surgeries and prescription drugs.
- The increase in demand for VA care among non-elderly veterans will be larger in New York than in any state that did not expand Medicaid eligibility.
- Among the 32 states that expanded Medicaid eligibility, New York's predicted increases in VA use for office-based visits ranks near the center (18th).

Exhibit 4. Increase in VA Utilization for Office-Based Visits among Non-Elderly Veterans under ACA Repeal and Replace



Source: Dworsky, M., Farmer, C., and Shen, M. *Veterans' Health Insurance Coverage Under the Affordable Care Act and Implications of Repeal for the Department of Veterans Affairs*, Santa Monica, Calif.: RAND Corporation, RR-1955-NYSHF/RWJF, 2017. State-level data available at https://www.rand.org/pubs/research_reports/RR1955.html.

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Implications

The ACA has had important implications for health insurance coverage of veterans and on utilization of care within and outside of the VA. Repeal of the ACA would roll back coverage gains and increase demand upon the VA. The effects would be felt in New York State and across the nation. Recent efforts in Congress to repeal the ACA or enact the AHCA were not successful. The ACA remains controversial, however, and similar proposals may reemerge in future legislation. The estimates reported here provide a useful starting point for understanding how veterans would fare under future proposals involving similar changes to the individual market or major reductions in federal Medicaid contributions.



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