Project Number: IIR 04-233-1
Project Title: The Potential for VA+Choice to Affect Veterans' Care and VA Expenditures
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This project will expand VA's research on the healthcare demanded by VA patients who are dually enrolled in the Medicare program and translate research findings into information of value to VA policymakers already designing VA Advantage (a VA HMO plan) benefits and negotiating payment rates with HHS. This 1.5-year study will use multiple years of VA and Medicare utilization data and the Medicare Current Beneficiary Survey to meet three objectives.

Objective 1: Quantify the types of healthcare services that VA-Medicare enrollees with different VA priority levels obtain under the Medicare program. Primary hypotheses are that:
H11: Dual enrollees with priority levels 7 and 8 receive more of their urgent and emergent care through the Medicare program than do enrollees with higher priority levels;
H12: Dual enrollees with priority levels 7 and 8 receive more of their acute inpatient care through the Medicare program than do enrollees with higher priority levels.

Objective 2: Estimate potential enrollments of VA enrollees into VA Advantage.Our hypotheses are:
H21: Veterans' preference for Medicare managed care plans is equal to that of non-veterans;
H22: Enrollment into a Medicare HMO occurs primarily when the beneficiary is 65-70.

Objective 3: Translate projections of VA Advantage enrollments and the amounts of care that dual enrollees receive under the Medicare program into services that VA Advantage would need either to purchase or provide directly to patients enrolled in such an offering. We hypothesize that:
H31 : Expanding care provided by VA urban medical centers to meet additional VA Advantage enrollees will require investment in cardiac and urgent care services;
H32: Expanding care provided by VA rural medical centers to meet additional VA Advantage enrollees will require expansion of VA's network of providers from whom it purchases services.

We will combine descriptive analyses and regression models to predict 1) where there would be potential interest among veterans in VA Advantage across the country and 2) the types of additional services that VA would expect to provide. Different data sources are required. For Objective 1, we will use VA and Medicare utilization data to summarize the types of care that VA patients receive from both systems. We will obtain 3 years (CYs 2000-2) of national Medicare denominator and utilization claims data (available from VIReC) combined with VA national patient care utilization data from FYs 2001-2002. For Objective 2, we will use MCBS data (1999-2003). These surveys include about 12,000 respondents yearly, of whom 2,700 are veterans, and are representative of Medicare enrollment. MCBS is linked to administrative claims and can be supplemented with county-level benefits and premium information for Medicare HMOs. For Objective 3, we will use county-level Medicare Advantage market penetration and plan characteristic data (Medicare Compare), VA's VetPop database with projections by priority level across the country and health care service information not only from VA and Medicare utilization files, but also from the American Hospital Association's annual survey of hospitals, which includes types of services available at each VA and non-VA facility.

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