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America's Neglected Veterans: 1.7 Million Who Served Have No Health Coverage

Report of the Harvard/Cambridge Hospital Study Group on Veterans' Health Insurance

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Executive Summary

This report presents data on the health insurance coverage and problems in access to care of America's veterans, based on analyses of two recently released national surveys: The Current Population Survey and the National Health Interview Survey.

In 2003, 1.69 million military veterans neither had health insurance nor received ongoing care at Veterans Health Administration (VHA) hospitals or clinics. The number of uninsured veterans has increased by 235,159 since 2000. The proportion of non-elderly veterans who were uninsured rose from 9.9% in 2000 to 11.9% in 2003.

Many of the 1.69 million uninsured veterans in 2003 were effectively barred from VHA care because they had incomes above the eligibility threshold, or because of waiting lists at some VHA facilities, unaffordable co-payments for VHA specialty care, or the lack of VHA facilities in their communities. An additional 3.90 million members of veterans' households were also uninsured and ineligible for VHA care.

The Medicare program (which covers Americans over age 65) covered virtually all Korean War and World War II veterans. However, 681,808 Vietnam-era veterans were uninsured (8.7% of the 7.85 million Vietnam-era vets). Among the 8.27 million veterans who served during "other eras" (including the Persian Gulf War), 12.1% (999,548) lacked health coverage.

More than one in three veterans under age 25 lacked health coverage, as did one in seven veterans age 25 to 44 and one in ten veterans age 45 to 65.

Many uninsured veterans had major health problems. Less than one-quarter indicated that they were in excellent health; 15.6% had a disabling chronic illness.

A disturbingly high number of veterans reported problems in obtaining needed medical care. While only 2.5% of insured veterans failed to get needed care in the past year because of costs, 26.1% of uninsured veterans failed to get needed care due to costs; 29.0% had delayed care due to costs. Among uninsured veterans, 42.1% had not seen a doctor within the past year, and two-thirds failed to receive preventive care. By almost any measure, uninsured veterans had as much trouble getting medical care as other uninsured persons.

More than two-thirds of uninsured veterans were employed and 86.4% had worked within the past year; 7% of the uninsured vets worked at two or more jobs.

Millions of America's veterans and their family members are uninsured and face grave difficulties in gaining access to even the most basic medical care. It seems particularly abhorrent that services are denied to those who have served.

Background

Forty-five million Americans were uninsured in 2003, the latest year for which reliable data are available. While the Census Bureau's annual survey on health insurance includes questions about previous military services, the Bureau's report on coverage does not include tabulations of veterans' coverage. In addition to the sources of health coverage available to other Americans – Medicare, Medicaid and private coverage - some military veterans obtain care through the network of hospitals and clinics run by the Veterans Health Administration (VHA).

While many Americans believe that all veterans can get care from the VHA, even combat veterans may not be able to obtain VHA care. The 1996 Veterans Health Care Reform Act expanded eligibility for VHA care to all veterans and instructed the VHA to develop priority categories for enrollment. The VHA priority list includes eight priority categories, with veterans offered care based on their priority status and the resources available (Appendix).

As a rule, VHA facilities provide care for any veteran who is disabled by a condition connected to his/her military service, and care for specific medical conditions acquired during military service. Any veteran who passes a means test is eligible for care in VHA facilities but has lower priority status (Priority 5 or Priority 7, depending upon income level) and is enrolled on a space-available basis. Veterans without service-connected illnesses or disabilities, and with incomes above 80% of the median income in their area are classified in the lowest priority group, Priority 8.

In the 7 years after the passage of the Veterans Healthcare Reform Act, VHA enrollment grew 141%, from 2.9 million to 7.0 million. However, funding increased by only 60%. Because VHA funding did not keep pace with the demand for care, long waiting lists developed at many VHA facilities. By 2002, there were almost 300,000 veterans either placed on waiting lists for enrollment or forced to wait for 6 months or more in order to receive an appointment for necessary care (Memorandum from Department of Veterans Affairs to Chairs and Ranking Members of Senate and House Veterans' Committees and VA-HUD Appropriations Sub-Committees, July 2002).

In January 2003, President Bush halted enrollment of Priority 8 veterans. Since that time these veterans have remained ineligible for VHA enrollment.

VHA analysts have estimated that about three-quarters of VHA-enrolled veterans have other health coverage such as Medicare or private insurance, and that 1.013 million VHA patients were uninsured in 1999 (Donald Stockford et al. Uninsured Veterans and Veterans Health Administration Enrollment System, 2003. Department of Veterans Affairs, April 2003.). The 2001 National Survey of Veterans (NSV) found that 10.0% of veterans – 2.52 million vets – were uninsured, 0.9 million of whom used VHA hospital, outpatient or emergency care (2001 National Survey of Veterans: Final Report and supplemental tabulations, available at: <http://www.VHA.gov/vetdata/SurveyResults/>).

Thus, the NSV data indicate that about 1.62 million veterans had neither health insurance nor VHA care in 2001.

This report uses data from two large, recent surveys of the U.S. population to examine two related questions: (1) How many veterans and their family members lacked health coverage in 2003 (i.e. they had neither insurance nor VHA care)?; and (2) What access to care problems did these uncovered veterans and their families experience?

Methods

Our principal analysis used data from two large surveys of the U.S. population: the March 2004 Current Population Survey Annual Social and Economic Supplement (CPS), and the 2002 National Health Interview Survey (NHIS). To examine time trends in coverage since 2000, we also analyzed the March 2001 CPS.

The CPS is the standard source for estimates of health insurance coverage in the U.S. The 2004 CPS collected data on insurance, income and employment characteristics of 213,241 individuals selected to be representative of the civilian non-institutionalized population. We used weights supplied by the Census Bureau to extrapolate the findings to the U.S. population. The CPS asks only about prior U.S. military service. Hence, both honorably-discharged and other veterans are included under the rubric “veteran”. We considered a person insured if they had any private insurance, Medicaid, SChip, Medicare, other insurance, or were “covered by Champus, veterans or military health care”. Thus, persons enrolled in VHA (or military) healthcare were classified as insured even if they had no other coverage. We considered a person to be a veteran’s family member if they resided in a household with a veteran. Because the CPS is considered the standard source for data on health insurance coverage, we based most of our analyses of veterans’ insurance coverage on these data.

Because the NHIS includes more detailed health care access and utilization measures than the CPS, we used the NHIS for analyses of these issues. The 2002 NHIS (released December, 2003) obtained data on 93,386 respondents representative of the civilian, non-institutionalized population of the U.S. We used this survey, which is conducted annually by the National Center for Health Statistics, to analyze health status and health care utilization – questions that are not asked in the CPS. The NHIS asks if subjects have been “honorably discharged” from the armed forces, and hence identifies slightly fewer persons as veterans than does the CPS. Because the NHIS is specifically designed to assess health and health care issues, its questions are generally more specific than those on the CPS. For instance, the NHIS survey allows differentiation of persons who have only “veterans or military health care” from those who have military-paid insurance plans such as Champus, “Champus-VA”, or Tri-Care. NHIS also contains information on specific medical conditions, access to medical care and use of health care services.

Data were analyzed using SAS statistical software.

Lack of Health Coverage is Common Among Veterans

1,694,312 American veterans were uninsured in 2003, according to the CPS data, including 11.9% of all non-elderly (age <65) veterans. In this survey, veterans with “Champus, Tricare, veterans or military health care” were categorized as having health coverage. Hence, the 1,694,312 figure represents persons with neither health insurance nor ongoing access to VHA medical facilities.

As expected, virtually all World War II and Korean War veterans had Medicare coverage. However, many veterans with more recent military service were uninsured. Among the 7.85 million Vietnam-era veterans, one in eleven lacked coverage. Among the 8.27 million veterans who served during “other eras,” including the Persian Gulf War, one in eight was uninsured.

Table 1 -Number and Percentage of Uninsured Veterans, by Service Era - 2003

Era of military service	Number of living veterans, total	Number lacking health coverage	Percent lacking health coverage
Other (includes Gulf War)	8,270,505	999,548	12.1%
Vietnam	7,851,118	681,808	8.7%
Korean War	3,044,749	6,921	0.2%
World War II	3,900,316	6,039	0.2%
All eras	23,066,688	1,694,316	7.3%

Source: Analysis of Current Population Survey, March 2004 Supplement

Younger veterans were more likely to lack coverage than older veterans. 15.1% of those age 25-44 had no health insurance, vs. 9.9% of those age 45-64. Veterans were about one third less likely to lack coverage than other persons of similar age.

The 2003 figures represent an increase of 235,159 in the number of uninsured veterans since 2000. In 2000, 9.9% of veterans under the age of 65 were uninsured, rising to 11.9% in 2003.

In addition to the 1.69 million uninsured veterans in 2003, 3.90 million members of veterans’ families lacked coverage. The percentage of non-veterans, family members of veterans, and veterans lacking health insurance is shown in Table 2.

Table 2 – Percentage of Veterans, Family Members of Veterans, and Others Lacking Health Coverage, by Age - 2003

	Veterans	Family members of veterans	Neither veteran nor family member of veteran
Children	N/A.	10.6	11.9
Age 18-24	35.3 *	25.7	32.9
25-44	15.1	22.7	22.4
45-64	9.9	13.0	14.8
>64	0.3*	0.4*	1.2

*Estimate based on small number of respondents.

Source: Analysis of Current Population Survey, March 2004 Supplement

Veterans Without Health Coverage are not Currently Receiving VHA Care

According to the NHIS, 1,670,410 honorably-discharged veterans had neither health insurance nor “military or veterans’ health care” in 2002. This number is statistically indistinguishable from the estimate of the number of uninsured veterans derived from the 2003 CPS. In the NHIS, an additional 1,426,897 veterans indicated that they had military or veterans’ health care but no other coverage.

Table 3 – Health Insurance of Veterans and their Family Members - 2002

	Family members of veterans	Veterans
Private coverage	73.2%	70.6%
Medicaid coverage	6.4%	2.3%
Medicare coverage	19.1%	37.1%
Champus/Tricare/ChampusVA	5.5%	7.2%
Military /veterans’ medical care only	0.8%	6.3%
Uninsured and no military/VHA Care	9.4%	7.4%

Source: Analysis of National Health Interview Survey, 2002. Public Use Data Release, December, 2003

Note: Individuals may have more than one type of coverage

Which Veterans are Uninsured?

The typical uninsured veteran was an employed male in his late forties living with one or two family members. Compared to the uninsured non-veteran population, uninsured veterans were older, and more often employed, male and high school graduates (data not shown). For instance, 86% of uninsured veterans had worked in the past year (7% held two or more jobs), as compared to 75% of other uninsured adults.

Compared to veterans with health coverage, uninsured veterans were younger, more likely to be working, and had lower incomes. 68.3% of uninsured veterans were working at the time of the survey, and 9.3% were in the labor force but currently unemployed or laid off. 22.4% were out of the labor force (e.g. students or retired). 70.6% of uninsured veterans had family incomes at or above 150% of the Federal poverty level, and 47.6% had incomes above 250% of poverty (a level that would likely place them above the income threshold for Priority Group 7, leaving them ineligible for VHA enrollment).

Table 4 – Veterans and their Families: Demographic and Employment Characteristics, by Insurance Status - 2003.

	Insured family members of veterans	Uninsured family members of veterans	Insured veterans	Uninsured veterans
Female	76.1%	59.7%	5.3%	7.3%
Age <18	25.6%	21.0%	0%	0%
18-44	24.3%	50.5%	16.6%	41.1%
45-64	28.6%	27.9%	41.5%	57.4%
> 64	21.5%	0.6%	41.9%	1.5%
Income <150% of poverty	10.8%	26.7%	11.3%	29.4%
Income <250% of poverty	27.7%	46.3%	28.5%	52.4%
Currently employed	37.7%	44.8%	51.3%	68.3%
Currently unemployed or laid off	2.3%	7.4%	2.4%	9.3%

Source: Analysis of Current Population Survey, March 2004

Veterans Lacking Health Coverage Are Not in Good Health

Many uninsured veterans had serious health problems. When asked to rate their health as “excellent”, “very good”, “good”, “fair” or “poor”, less than one-quarter of uninsured veterans indicated that they were in excellent health (Table 5); 15.6% had a disabling chronic illness.

Table 5—Overall Health Status of Veterans and their Families, by Age and Insurance Status - 2003

	Insured family members of veterans (%)	Uninsured family members of veterans (%)	Insured veterans (%)	Uninsured veterans (%)
Less than excellent health:				
Age 0-17	45.0	52.2	N/A.	N/A.
18-24	51.3	54.0	42.0*	78.1*
25-44	65.2	74.0	64.8	73.8
45-64	78.6	81.5	77.5	81.9
>64	90.7	77.0*	89.4	78.5*
Fair or poor health (%)				
Age 0-17	2.0	3.3	N/A.	N/A.
18-24	3.0	3.3	4.1*	9.4*
25-44	9.6	10.8	7.2	9.5
45-64	16.5	17.6	17.1	20.7
>64	29.2	40.9*	30.1	26.2*

*Based on small numbers of respondents

Source: CPS March 2004 Supplement. Respondents were asked to rate their health as excellent, very good, good, fair or poor.

Uninsured Veterans and Family Members Forego Needed Health Care Due to Cost

Uninsured veterans indicated that they faced major barriers to obtaining medical care. Among veterans age 18-64, those without coverage were five times more likely than insured veterans to delay care because of costs, six times more likely to forego medications because of costs, and seven times more likely to forego medical care because of costs than those with insurance (Table 6).

Table 6– Health Care Access Problems During the Past 12 Months of Veterans and Family Members 18-64 Years Old - 2002

	Insured family members of veterans	Uninsured family members of veterans	Insured veterans	Uninsured veterans
Delayed care due to cost	4.5%	25.9%	5.2%	29.6%
Didn't get needed care due to cost	2.5%	21.6%	3.5%	26.1%
Couldn't afford medications	4.9%	16.4%	4.3%	24.2%
Couldn't afford glasses	3.7%	17.4%	3.5%	20.6%

Source: Analysis of the National Health Interview Survey, 2002. Public Data Release December, 2003

Uninsured Veterans and Family Members Use Less Health Care

Our analyses of the amount of care actually used by uninsured veterans and their families confirmed that they, indeed, lacked access to care. Two thirds of uninsured veterans did not get any preventive care. More than two of every five uninsured veterans had not spoken to **any** health professional in the past year, and a similar number had **no** usual place to go when they got sick (Table 7).

Table 7 - Healthcare Access and Utilization of Veterans and Family Members under Age 65, by insurance status - 2002

	Insured family members of veterans	Uninsured family members of veterans	Insured veterans	Uninsured veterans
No medical visits, past year	12.3%	33.4%	17.4%	41.9%
Did not get preventive care anywhere	35.5%	70.1%	46.0%	67.9%
Did not see specialist in past year	71.6%	90.0%	66.4%	82.0%
Did not see a general doctor in past year	26.4%	49.0%	29.5%	57.4%
No usual place to go when sick	4.5%	32.6%	8.3%	41.3%

Source: Analysis of National Health Interview Survey, 2002. Public Use Data Release, December 2003

Uninsured Veterans' Access is No Better Than That of Other Uninsured People

Indicators of access to care for uninsured veterans were strikingly similar, and in some cases worse, than those for other uninsured individuals (Table 8). This indicates that VHA care did little or nothing to fill the gaps for uninsured veterans.

Table 8 - Healthcare Access and Utilization of Uninsured Veterans Compared to Other Uninsured People, Age 18-64

	Other Uninsured Persons	Uninsured veterans
No medical visits, past year	33.4%	41.9%
Doesn't get preventive care anywhere	70.1%	67.9%
Hasn't seen specialist in past year	90.0%	82.0%
Hasn't seen a general doctor in past year	49.0%	57.4%
No usual place to go when sick	32.6%	41.3%
Delayed care due to cost	25.9%	29.6%
Didn't get needed care due to cost	21.6%	26.1%
Couldn't afford medications	16.4%	24.2%
Couldn't afford glasses	17.4%	20.6%

Source: Analysis of National Health Interview Survey, 2002. Public Use Data Release, December 2003

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Discussion

Almost 5.6 million American veterans and members of veterans' families are uninsured and not receiving care in the VHA system. They account for 1 out of 8 uninsured people in our nation. Like other uninsured adults, most of the uninsured veterans were working; many had two jobs. All Americans deserve access to high quality, affordable health care. Yet it is especially troubling that many who have made sacrifices to defend our nation are denied the care they need.

Were the veterans who were classified as uninsured in the surveys we analyzed truly denied access to the care they need? Several pieces of evidence suggest that the doors to medical care – including the VHA system – are effectively closed to most of this group.

First, both surveys we analyzed asked respondents if they had “veterans or military health care” and considered anyone answering “yes” as insured. The National Health Interview Survey was highly specific in this regard, identifying 1.43 million veterans with military/veterans' medical care but with no other insurance. We considered all 1.43 million of these veterans to have coverage. Hence, veterans who lacked insurance but were enrolled in the VHA system would be considered insured in our analysis. The data suggest that the VHA currently cares for about 45% of the 3.15 million veterans without any other coverage.

Second, the veterans we identified as lacking coverage had substantial problems in gaining access to care. Like other uninsured people, they were often unable to afford care, had low rates of health care utilization, and frequently went without needed services. Indeed, for virtually every measure of access to care, uninsured veterans were indistinguishable from other uninsured persons, and they fared much worse than insured veterans. Even if some of these uninsured veterans are theoretically eligible for VHA care, their real-world access to health care is just as bad as – and by some measures worse than – that of other uninsured people (see Table 8).

Finally, about half of the uninsured veterans had incomes that would make them completely ineligible for VHA enrollment (priority 8). For many others (Priority 7), care would only be available with substantial co-payments (e.g. \$50 for specialty care). Moreover, low-priority veterans are generally ineligible for free transportation to VHA facilities, leaving care inaccessible to many vets.

It is clear that the VHA lacks the resources to provide care for an influx of 1.7 million uninsured veterans – tens of thousands of vets are already on VHA waiting lists. Even if the VHA system were to gain the additional resources needed to care for all uninsured vets, millions of their family members would remain uncovered.

Millions of veterans and veterans' family members have joined the ranks of the uninsured. This shocking fact highlights the urgent need for health reform that will assure universal coverage. We believe that only a single payer national health insurance system can affordably cover all Americans – including veterans.

Appendix

Priority Groups for VHA Healthcare Enrollment

Priority 1

Service-connected disability rated 50 percent or more disabling

Priority 2

Service-connected disability rated 30 percent or 40 percent disabling

Priority 3

Former POWs

Purple Heart recipients

Discharged for a disability that was incurred or aggravated in the line of duty

Service-connected disability rated 10 percent or 20 percent disabling

Special-eligibility classification under “benefits for individuals disabled by treatment or vocational rehabilitation”

Priority 4

Veterans who are receiving aid and attendance or household benefits

Veterans who have been determined by the VHA to be catastrophically disabled

Priority 5

Income and net worth below VHA Means Test threshold

Receiving VA pension benefits

Eligible for Medicaid benefits

Priority 6

World War I veterans

Mexican Border War veterans

Veterans solely seeking care for disorders associated with:

- * Exposure to herbicides while serving in Vietnam

- * Exposure to ionizing radiation during atmospheric testing or during the occupation of Hiroshima or Nagasaki

- * Disorders associated with service in the Gulf War

- * Any illness associated with service in combat in a war after the Gulf War or during any period of hostility after November 11, 1998

Priority 7

Veterans who agree to pay co-payments with income and/or net worth above the VHA Means Test threshold and income below the HUD geographic index

Priority 8 (Not currently eligible for enrollment)

Veterans who agree to pay specified co-payments with income and/or net worth above the VHA Means Test Threshold and the HUD geographic index