

Estimating Costs for Veterans Health, Part 4 Day 2

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Scenario 3: Community
Delivered Services (CDS)
Scenario Estimates with
Expanded CDS

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Scenario 3

- Initially all care currently being provided by the VA would continue to be available at the VA
- Expanded Care in the Community also called Community Delivered Services (CDS) will be provided by an integrated network vetted by the VA
- **CDS will include primary and standard specialty care. It will not include special emphasis care**
- The network of providers will be coordinated and vetted by the VA
- Receiving CDS eligible care in or out of the VA **does not** requires a referral
- Navigators will help guide veterans to the best and most appropriate providers inside and outside of the VA

Unit Costs

- 68% of all expenditures are eligible for choice into CDS networks
- Community care priced at Medicare Allowable unit costs
 - Medicare Allowable rates matched to VA health service categories
 - Exception: benefits not covered by Medicare use historic care in the community costs
 - e.g. Dental, long-term services and supports, hearing aid services
- Veterans choose to receive 70% all eligible care in the community
- Shift to CDS networks phased in over 5 years

Reliance, Enrollment, and Percent of Care in the Community

- Approximately 52% of eligible Veterans have enrolled in VA health care
- Enrolled veterans receive, on average, 34% of health care through the VA
- Improving access, choice and/or quality of services likely to induce more reliance and enrollment.
 - Increases will be significantly higher than in Scenario 1.
- Assume a range of reliance levels for services included in CDS networks: 80%, 90%, and 100%
- Assume a range of enrollment levels: 80%, 90%, 100%
- We assume Veterans choose to receive 70% of eligible in the community.
- Phased in over 5 years

Caveats

- Same as Scenario 1 and 2, but our assumptions are both more tenuous and have a greater impact on estimates, so there is correspondingly more uncertainty.
- Estimates don't include savings/costs of reducing or repurposing infrastructure
- Impacts on VA's teaching, research, and emergency preparedness missions are not considered
- Medicare Allowable rates assumed to provide veterans with adequate access in CDS networks
- For care priced at historic community rates, national average rates are representative of future rates
- Unit costs in the VA are not impacted by care leaving the VA
- Unit costs for services remaining in VA facilities effectively increase by assuming equipment and national overhead costs are fully retained
- Other than equipment and national overhead, the costs of care shifting to CDS networks is phased out of VA facilities concurrently with other effects in the model
- Reliance increases occur only for CDS eligible services; no spillovers
- New enrollees have same costs as existing enrollees
- Hires of RN Care Managers are the only additional administrative cost

Projected Cost of Scenario 3

