

# Can Medicaid Help Military Veterans?

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## MEDICAID

Medicaid is a program funded by federal and state government that provides health insurance to the neediest people in North Carolina. However, due to funding restrictions, Medicaid currently covers fewer than half of people in poverty. Usually, the federal government pays two thirds of the state's Medicaid cost, but the Patient Protection and Affordable Care Act (the "ACA" or "Obamacare") offers to pay 90 percent of the costs of extending Medicaid, or a private market alternative, to cover all North Carolina citizens who are poor, or near poverty. States may either extend traditional Medicaid, or propose an innovative alternative for federal funding. So far, North Carolina's leaders have declined the opportunity to cover this population, citing the costs and disadvantages of doing so.

This is one of a [series of Issue Briefs](#), produced by the [Wake Forest Health Law and Policy Program](#), exploring the costs and benefits of Medicaid and its alternatives in North Carolina. This Issue Brief focuses on the potential for Medicaid funding to benefit military veterans. North Carolina has a large military and veteran population (fourth largest in the nation), and veterans are one of the groups of North Carolina citizens who could benefit from Medicaid funding under the ACA. This Issue Brief explains why veterans might need some form of Medicaid funding in order to secure access to medical care, and it estimates how many low-income veterans could benefit.

## UNINSURED VETERANS

It is wrong to assume that most or all veterans are covered by military insurance. Military insurance, known as "Tricare," covers only military personnel and their families who are serving active duty or who have retired after serving an *entire career*. Tricare military insurance does *not* cover veterans who leave the military prior to retirement.

Instead of military insurance, many veterans are treated in a separate system of Veterans Affairs (VA) healthcare facilities. These are hospitals and clinics run by the federal government exclusively for veterans. Their primary focus is injury connected to military service, but the VA also provides general health care services for eligible veterans. However, not all veterans are eligible for general health services from the VA. And, because the VA health facilities are concentrated in well-populated areas, they often are not readily accessible to veterans living in more rural areas. VA facilities are especially difficult to reach by the substantial population of homeless veterans.

The VA health system has been criticized for not providing sufficient access to care, making it difficult for needy veterans to get timely medical appointments (see GAO 2016; Kizer & Jha 2014). According to one recent study (Lee & Begley 2016), veterans are almost twice as likely as other Americans to report that they had to "put off or postpone getting medical care [they] needed" sometime in the prior year. Despite the its best efforts, the VA does not have the capacity to provide all veterans the care they need (Hoffman 2015).

Due, in part, to limitations in the VA health system, some veterans are entirely uninsured – covered by no program or plan. Like many Americans, they do not have a job that provides affordable health benefits, they earn too little to purchase their own insurance but still do not qualify for current Medicaid. According to the best estimates (shown in Table 1), nationally about 10 percent of veterans under the age of 65 had no health care coverage of any type prior to the Affordable Care Act, whether public, private, or through the VA.

**TABLE 1: SOURCES OF COVERAGE FOR NONELDERLY VETERANS, NATIONALLY IN 2010**

Private Insurance	65.1%
Public Insurance	9.0%
VA or Tricare	15.3%
No Coverage (uninsured)	10.5%

Source: Urban Institute analysis of 2010 Census data (Haley & Kenney 2012).

Lack of coverage is especially pronounced for veterans who have served most recently, in Iraq and Afghanistan. According to VA data, one in four veterans who served in these recent conflicts have no health insurance and are not enrolled with the VA health system (Adams 2012).

Lack of coverage is also more severe for North Carolina’s veterans. In this state, 30,000 nonelderly veterans are uninsured and not enrolled with the VA – making North Carolina fifth worst in the country in the number of uncovered veterans (following only Texas, Florida, California, and Georgia) (Haley et al. 2016).

## **NARROWING THE GAP FOR VETERANS IN NORTH CAROLINA**

The Affordable Care Act potentially offers two forms of help for uninsured veterans. Those who earn enough can qualify for subsidies to purchase private insurance through the new “marketplace” exchange (healthcare.gov). Uninsured veterans who are poor would be eligible for some form of Medicaid, but *only* if their state opts to extend its Medicaid program or adopt a private market alternative, which North Carolina has not done. Many people refer to these uninsured people below the poverty line as falling in the Medicaid “coverage gap.” Without extending or revising Medicaid, the ACA offers no assistance to veterans or others who are in poverty.

Veterans in North Carolina are affected by this coverage gap more than in other states. In North Carolina, almost half (49%) of veterans who are currently uncovered are below poverty – highest in the country among states with large veteran populations – compared with a national average of only 20 percent of uninsured veterans being poor (Haley et al. 2016). Some of these uninsured veterans in poverty currently qualify for Medicaid, but most do not because they fall in the “coverage gap,” meaning that they are excluded by North Carolina’s decision not to seek increased Medicaid funding under the Affordable Care Act. Using a sophisticated micro-simulation model, researchers at the Urban Institute estimate that there are 12,000 low-income veterans in North Carolina without health care coverage who would qualify for Medicaid funding, if the state were to extend or revise this program (Haley et al. 2016).

This Issue Brief analyzes where these 12,000 “coverage gap” veterans are likely to be living across the state, based on the latest-available data from the U.S. Census and the VA. Our local estimates start with the number of veterans in each county below the poverty line.<sup>1</sup> We then factor in the proportion of veterans in each county who do not use VA services, to account for the fact that some parts of the state are much further than others from VA facilities. Although imprecise, this is the best available method to estimate the local distribution of uninsured veterans who would benefit from using

<sup>1</sup> Because these data elements were available only for the 40 largest counties, for smaller counties we based these data elements on statewide averages.

Medicaid funding to close the coverage gap. The results of this estimation are shown in the Table and Figures below 2.<sup>2</sup>

TABLE 2: ESTIMATED NUMBER OF VETERANS WHO COULD BENEFIT FROM EXTENDED MEDICAID

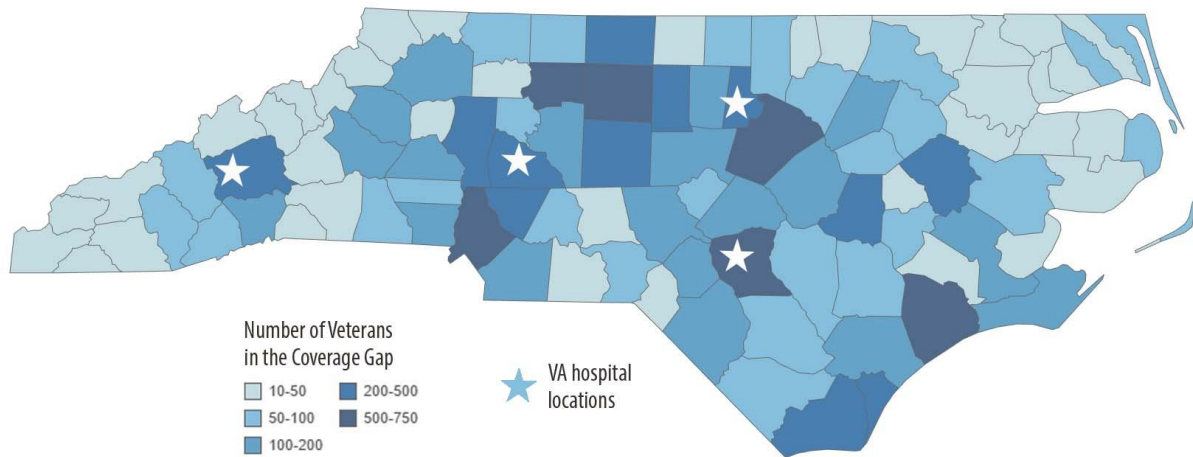
750-500	500-200	200-100	100-50	50-10
Cumberland	Alamance	Burke	Beaufort	Alexander
Forsyth	Brunswick	Caldwell	Bladen	Alleghany
Guilford	Buncombe	Carteret	Cleveland	Anson
Mecklenburg	Cabarrus	Catawba	Columbus	Ashe
Onslow	Durham	Chatham	Currituck	Avery
Wake	Iredell	Craven	Dare	Bertie
	New Hanover	Davidson	Davie	Camden
	Pitt	Gaston	Duplin	Caswell
	Randolph	Harnett	Edgecombe	Cherokee
	Rockingham	Henderson	Franklin	Chowan
	Rowan	Hoke	Granville	Clay
	Wayne	Johnston	Halifax	Gates
		Moore	Haywood	Graham
		Nash	Jackson	Greene
		Orange	Lee	Hertford
		Pender	Lenoir	Hyde
		Robeson	Lincoln	Jones
		Union	Pasquotank	Macon
		Wilkes	Person	Madison
			Richmond	Martin
			Sampson	McDowell
			Stanly	Mitchell
			Stokes	Montgomery
			Surry	Northhampton
			Transylvania	Pamlico
			Wilson	Perquimans
				Polk
				Rutherford
				Scotland
				Swain
				Tyrrell
				Vance
				Warren
				Washington
				Watauga
				Yadkin
				Yancey

<sup>2</sup> Because of the imprecision of data at a local level, we do not present precise estimates for each county, but instead group counties into categories that reflect approximate estimated ranges.

## CAN MEDICAID HELP MILITARY VETERANS

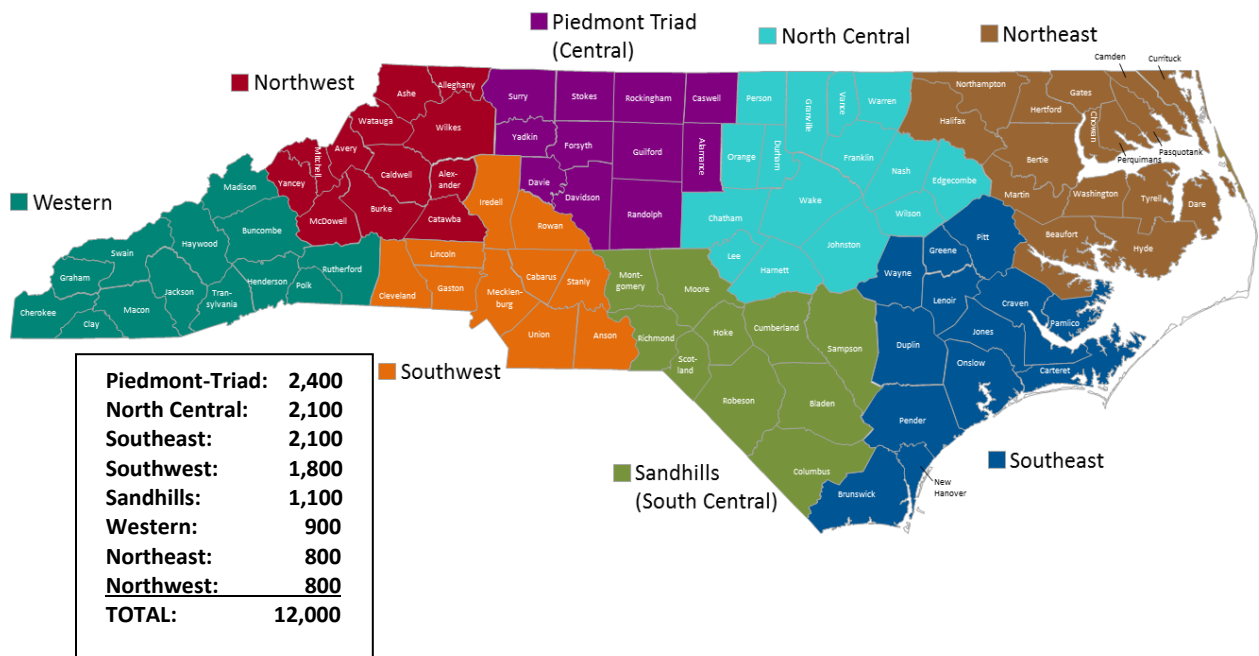
We identified six counties with 750-500 veterans who fall in the Medicaid coverage gap, twelve counties with 500-200 such veterans, nineteen counties with 200-100, and twenty-six counties with 100-50 uncovered veterans who would qualify for coverage only if Medicaid were extended in some fashion under the ACA.

Estimated Number of Veterans who Fall in the Medicaid Coverage Gap by County



We also calculated these estimates by regions in the state. As shown in Figure 1, half of the eight geographic regions of North Carolina each have about two thousand low-income uncovered veterans who would benefit from closing the coverage gap, and the other half of the regions have roughly a thousand each.

ESTIMATED NUMBER OF VETERANS WHO FALL IN THE MEDICAID COVERAGE GAP, BY REGION



In conclusion, there are costs to extending or revising Medicaid under the ACA, but there are also benefits. One such benefit is offering health care access to the thousands of North Carolina veterans in poverty who, despite their service to our country, lack any health care coverage.

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