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Thousands of Kentucky Veterans Could Get Health Insurance Under Medicaid Expansion

Thousands of Kentucky veterans—and their families—could gain health insurance and improve their health and well-being if the state makes the right decision to move forward with the Medicaid expansion now under consideration.

Despite having put their health and lives at risk while serving in the armed forces, 1.3 million U.S. veterans—including nearly 21,000 here in Kentucky—lack health insurance. Nationally, almost half of these veterans would qualify for coverage if all states expand Medicaid eligibility, which is an option for states under the Affordable Care Act (ACA), the nation’s health reform law.

Approximately 9,500 Kentucky veterans without insurance could gain Medicaid coverage if the state expands.¹ Their spouses could qualify as well.

Kentucky Veterans and their Families Would Benefit from Medicaid Expansion Non-elderly veterans who could qualify under Medicaid

Category	Number	Newly Qualified for Medicaid
Uninsured Veterans	20,600	9,500
Uninsured Spouses of Veterans	13,300	5,300

Source: Urban Institute, “Uninsured Veterans and Family Members,” March 2013.

Veterans Face Health Problems

Veterans without health insurance often have medical problems, many of which go untreated:

- One in three uninsured veterans report having at least one chronic health condition.
- Roughly 15 percent report being in only fair or poor health.
- More than 15 percent face significant physical, mental or emotional problems.
- Over 40 percent report having unmet medical needs.
- Roughly one third of uninsured veterans have delayed seeking needed health care due to cost.

Veterans’ uninsured family members face similar health challenges.²

VA Helps Many Veterans, But Not All

Most people assume that all veterans can receive health care through the U.S. Department of Veterans Affairs (VA), which operates the nation’s largest health system—a system of medical centers, clinics and other facilities that provide high-quality care and specifically address veterans’ health care needs. In actuality, only about 37 percent of the country’s more than 22 million veterans receive health coverage through the VA.³ And not all veterans can receive these benefits—for instance, many National Guard and veterans of the reserves are ineligible. Eligibility is determined by active duty status, condition of discharge, length of service, income level and other factors.⁴ Veterans’ spouses and dependents are only able to access VA health care under particular circumstances.

Among those who are eligible, factors such as proximity to VA facilities and cost-sharing requirements may affect whether or not veterans use the VA system.⁵ More than a third of veterans enrolled in the VA health care system live in rural areas, many an hour's drive from VA health care.⁶ Only 18 of Kentucky's 120 counties have a VA health facility of any kind.⁷

Kentucky Can Extend Health Coverage to Thousands of Veterans and their Families

Right now, Kentucky's uninsured veterans—especially those with low incomes—have very limited options for gaining health coverage. Many can't get health insurance through their employer, and private insurance is often prohibitively expensive. Kentucky offers only very limited Medicaid coverage to non-disabled working adults and to parents with low incomes.

Through the ACA states have the opportunity to expand Medicaid in 2014 to adults with incomes up to 138 percent of the federal poverty line (roughly \$32,000 for a family of four).⁸ Approximately half of the nation's uninsured veterans meet these income requirements and would be eligible for Medicaid in states that participate in the expansion. Approximately 9,500 uninsured Kentucky veterans meet the income requirements and could gain coverage. More than 5,000 of their spouses could gain coverage as well.

In addition, according to an earlier study, expanding Medicaid would mean that nearly 9,000 Kentucky veterans who currently depend solely on VA coverage could use Medicaid to supplement their VA benefits.⁹

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The Kentucky Center for Economic Policy is a non-profit, non-partisan initiative that conducts research, analysis and education on important policy issues facing the Commonwealth. Launched in 2011, the Center is a project of the Mountain Association for Community Economic Development (MACED). For more information, please visit KCEP's website at www.kypolicy.org.

¹ Jennifer Haley and Genevieve M. Kenney, "Uninsured Veterans and Family Members: State and National Estimates of Expanded Medicaid Eligibility Under the ACA," Urban Institute, M, http://www.rwif.org/content/dam/farm/reports/issue_briefs/2013/rwif405143.

² Haley and Kenney, "Uninsured Veterans and Family Members."

³ 56 percent of veterans have private health insurance or are covered by a non-VA federal health plan, and 7 percent have no health insurance coverage. Kenneth W. Kizer, "Veterans and the Affordable Care Act," *Journal of the American Medical Association* (February 22, 2012), pp. 789-790.

⁴ The Veterans' Health Care Eligibility Reform Act of 1996 mandated that the VA deliver services to veterans with service-connected conditions, to those unable to pay for necessary medical care and to specific groups of veterans (i.e., former prisoners of war). The VA can offer services to all other veterans, according to the legislation, to the extent that resources and facilities are available. The VA's enrollment system then includes eight categories that determine veterans' eligibility and priority for access to health care—with the highest priority being given to veterans with service-connected disabilities and the lowest to higher-income veterans with basically no service-connected disabilities. Congressional Budget Office, "Potential Costs of Veterans' Health Care," 2012, <http://www.cbo.gov/publication/21773>. The Secretary of Veterans' Affairs decides each year whether the VA's medical budget can serve veterans in all priority groups who seek care. Kaiser Family Foundation, "Military and Veterans' Health Care: Background Brief," <http://www.kaiserfamily.org/Issue-Modules/Military-and-Veterans-Health-Care/Background-Brief.aspx>.

⁵ Haley and Kenney, "Uninsured Veterans and Family Members."

⁶ Alan N. West et al. "Defining 'Rural' for Veterans' Health Care Planning," *The Journal of Rural Health* (2010), pp. 301-209, http://www.ruralhealth.va.gov/docs/West_Defining_Rural_for_Veterans_Health_Care_Planning_2010.pdf.

⁷ United States Department of Veterans Affairs, "Facilities By State: Kentucky," <http://www2.va.gov/directory/guide/state.asp?STATE=KY&dnum=ALL>.

⁸ Currently in Kentucky, the only adults eligible for Medicaid are those with disabilities, pregnant women, seniors and adult parents/relative caregivers of children. Parents/caregivers must have extremely low incomes—no greater than 62 percent of the federal poverty line (\$14,291 for a family of four); if the parent/relative caregiver is not working, his/her income can be no greater than 36 percent of the federal poverty line. There are also additional criteria to qualify—it must be a single-parent household or have one of the parents unemployed, underemployed or disabled. "Medicaid and CHIP Eligibility by State," <http://www.ncsl.org/issues-research/health/medicaid-eligibility-table-by-state-state-activit.aspx>.

⁹ Jennifer Haley and Genevieve M. Kenney, "Uninsured Veterans and Family Members: Who Are They and Where Do They Live?," Urban Institute, May 2012, <http://www.rwif.org/content/dam/farm/reports/reports/2012/rwif73036>. Calculation assumes share of Kentucky veterans with VA coverage alone with incomes that would allow them to qualify for Medicaid under the expansion matches the national share.