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INSTITUTE FOR DEFENSE ANALYSES

Defense Health Care Issues and Data

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Defense Health Care

- There are two major military-related health care programs:
  - DoD's military health system, which provides combat medical care and beneficiary care to active duty members, retirees, and family members.
  - VA's veterans health administration, which provides care to military veterans and related groups.

- Combined federal spending on these two programs exceeds $110 billion per year.

- Military health programs often cover a broader set of issues than non-military programs.
  - For example, the health and deployability of combat forces.
  - And military commanders sometimes have broader tools to accomplish objectives, e.g., coercion.

- Military health programs have experienced significant cost growth.

DoD Military Health System

- At over $50 billion per year, the DoD Military Health System (MHS) is responsible for combat casualty care and the health care of 10 million eligible beneficiaries.

- The MHS owns and operates 56 hospitals and 361 clinics, along with thousands of beds in combat hospitals and other deployable units.

- The MHS employs about 250,000 medical personnel: 120,000 full-time military personnel, 80,000 part-time military personnel, 40,000 civilians, and a large number of contractors.

- The MHS purchases almost $20 billion in health care services from private sector providers per year.

- The MHS runs a medical school, an extensive network of Graduate Medical Education, and training programs in every medical specialty.

MHS Missions and Manpower

OPERATIONAL MISSION

BENEFICIARY MISSION

Organic Medical Capability

Military Treatment Facilities

In-Theater Hospitals

Military Medical Personnel w/ Dual Assignments

Purchased Private Care

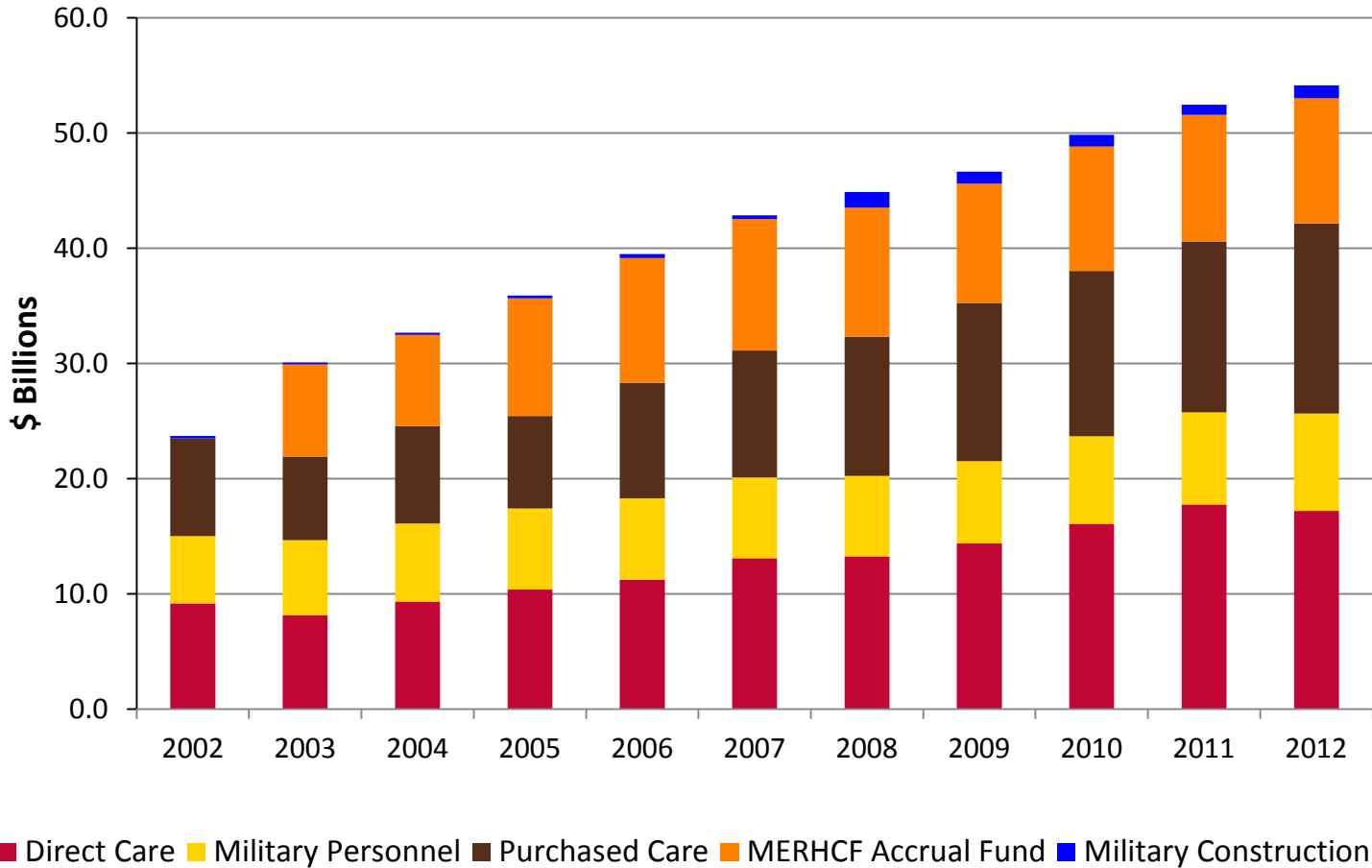Military Essential

Commercial Activity

Trauma Surgery...Anesthesiology ← **Demand for Specialties** → Pediatrics...Obstetrics

DoD Health Care Issues

- Plan choice, cost growth, and the impacts of the Affordable Care Act.
  - Which retirees choose to use DoD health care? How does this contribute to cost growth? What will be the impact of the ACA?
- Plan structure, cost shares, and utilization.
  - How does plan design effect utilization and cost? How can plan design be improved?
- In-house delivery of health care.
  - What are the relative costs of DoD health care production versus private sector care?
- Purchased care contracts.
  - Does DoD procure private sector care in the most efficient way possible?
- Health care and related personnel management.
  - How does DoD best deal with Traumatic Brain Injury (TBI), Post Traumatic Stress Disorder (PTSD), and suicide?

DoD Medical Cost Growth

Unified Medical Program Budget

Legend: Direct Care, Military Personnel, Purchased Care, MERHCF Accrual Fund, Military Construction

Y-axis: $ Billions (0.0 to 60.0)

X-axis: 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012

DoD Health Care Data

- The central data source for the MHS is the Medical Data Repository (MDR).
  - The MDR contains claim level data for the entire population through time.
  - The MDR is not publicly available; requests can be made for use of specific data.
- There is a wealth of publicly available data on the MHS and VA systems. Below are selected examples:
  - Armed Forces Health Surveillance Center (AFHSC)
  - Substance Abuse and Mental Health Services Administration (SAMHSA)
  - Health Care Survey of TRICARE Beneficiaries (HCSDB)
  - National Center for Veterans Analysis and Statistics (NCVAS)
  - TRICARE annual reports to the Congress

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