

HEALTH CARE

Information on Coverage Choices for Servicemembers, Former Servicemembers, and Dependents

Why GAO Did This Study

In fiscal year 2013, there were about 53 million servicemembers and former servicemembers—those who retired from military service or left for reasons other than retirement—and their dependents. These individuals may be eligible for health care coverage through DOD, VA, Medicare, or Medicaid and may purchase coverage through the exchanges established by PPACA. These sources provide individuals opportunities for choosing the coverage that is most suited to their needs, but may also require consideration of complex factors when making choices.

GAO was asked to examine federal health care programs and exchange-purchased coverage available to servicemembers, former servicemembers, and their dependents. GAO examined

(1) eligibility for coverage, (2) the key benefits offered by this coverage and the individuals' costs, (3) the extent to which information on exchange-purchased coverage and federal subsidies is provided by DOD and VA, and (4) the extent to which these individuals have coverage through DOD, VA, Medicare, and Medicaid. GAO reviewed agency documents and relevant laws and regulations, analyzed U.S. Census Bureau data, and interviewed agency officials.

What GAO Recommends

GAO recommends that DOD provide information on how its coverage affects individuals' qualification for federal subsidies for exchange-purchased coverage. DOD concurred with GAO's recommendation. VA generally agreed with GAO's conclusions. HHS had no comments on this report.

View [GAO-15-4](#). For more information, contact Katherine Iritani at (202) 512-7114 or iritanik@gao.gov.

What GAO Found

Servicemembers', former servicemembers', and their dependents' eligibility for health care coverage through the Department of Defense (DOD) and the Department of Veterans Affairs (VA) is primarily based on military status, while eligibility for Medicare, Medicaid, and coverage purchased through an exchange established by the Patient Protection and Affordable Care Act (PPACA) is based on age, income, or other factors. The Centers for Medicare & Medicaid Services (CMS)—an agency within the Department of Health and Human Services (HHS)—oversees health care coverage provided through Medicare, Medicaid, and the exchanges. Most servicemembers, and former servicemembers who retired from military service, and their dependents are entitled to DOD coverage, according to DOD officials. Those who are not entitled to DOD coverage, such as reservists and certain of their dependents, may be eligible to purchase it. Former servicemembers who left military service for reasons other than retirement are not eligible for DOD coverage. All former servicemembers are generally eligible for VA coverage. Servicemembers, former servicemembers, and their dependents may also be eligible for Medicare or Medicaid, if they meet eligibility criteria, and may purchase coverage through an exchange.

Federal programs and exchange-purchased plans generally offer comprehensive coverage, which includes coverage for certain benefit categories such as inpatient hospital and outpatient medical services. These forms of coverage may have cost-sharing, subject to certain limits. Cost limits vary and depend on factors such as military status and income. For example, servicemembers do not pay an annual enrollment fee for certain DOD coverage, but former servicemembers do. VA does not generally require cost-sharing for those with certain service-connected conditions or low incomes, while it may for others.

DOD and VA provide information about exchange-purchased coverage on their websites, including that their coverage satisfies the requirement for minimal essential coverage (MEC) established by PPACA. VA informs its beneficiaries that they do not qualify for federal subsidies that lower the cost of exchange plans, even if they meet income and other requirements, because VA coverage satisfies the requirement for MEC. VA also informs its beneficiaries that they may opt out of VA coverage, and thus potentially qualify for federal subsidies. DOD, however, does not provide information indicating that most individuals with DOD coverage cannot opt out of it and, therefore, cannot qualify for federal subsidies. Nor does DOD inform those that have the option of purchasing DOD coverage that they may qualify for federal subsidies, if they do not choose DOD coverage. This is inconsistent with federal internal controls that require communication with stakeholders, and by providing this information, DOD could potentially help servicemembers, certain former servicemembers, and their dependents make more informed decisions regarding their health care coverage.

About 27 million servicemembers, former servicemembers, and their dependents had health care coverage through DOD, VA, Medicare, or Medicaid, or a combination of these in 2012, according to U.S. Census Bureau data. Of these, about 7 million had health care coverage through two or more programs in 2012, most often VA and Medicare (2.4 million), Medicare and Medicaid (1.3 million), and DOD and Medicare (1.2 million).