Section VII
Non-Medical Services

The private sector benchmarks used as the basis for the utilization and expenditure projection model reflect medical services commonly covered by private insurance or Medicare. VA provides additional services to veterans that are health care related, but are not traditionally considered "medical" services. In an effort to develop projection models that more fully consider all VA-provided health care related services, benchmarks were developed for several VA non-medical bed section services. Utilization rates were developed for the following non-medical bed section services using historical VA workload data.

- Blind Rehab (bed section 21)
- Spinal Cord Injury (bed section 22)
- Psychiatric and PTSD Residential Rehab (bed sections 25 and 26)
- Substance Abuse Residential Rehab (bed section 27)
- Compensated Work Therapy Programs (bed sections 28 and 29)
- Respite Care (bed section 83)
- Domiciliary Care (bed sections 37, 85, 86 and 88)

Fiscal year 2000 and 2001 workload data was obtained from VA and national bed days were summarized by fiscal year, bed section, Priority Level, age band and gender. Member months of Enrollee exposure was also summarized for FY 2000 and 2001. Annual utilization rates per thousand were developed for each fiscal year from this data and analyzed to determine which bed sections should be combined due to significant similarities as well as improving credibility. The above groupings were developed from this analysis.

The following methodology was used in order to utilize two years of VA experience data and give more weight to the most recent year (FY2001). First, the FY 2000 utilization rates per 1,000 were applied to the FY 2001 member months of enrollee exposure to calculate the FY 2000 total number of days for the FY 2001 enrollee mix. The total days for each year were now both stated in terms of the FY 2001 enrollee exposure. Next, the total days for FY 2000 and 2001 were weighted 30% and 70%, respectively, to give FY 2001 more weight over FY 2000. FY 2001 was given more weight in recognition of the fact that VA practice patterns within these bed sections may change over time. Finally, the total weighted days and the FY 2001 enrollee exposure were used to calculate annual weighted utilization rates per thousand.

These weighted utilization rates were smoothed across age bands, gender and Priority Levels. This was accomplished by assuming age and gender distinctions were credible for all Priority Levels combined and Priority Level distinctions were credible for all age bands combined. Relative age factors were developed for all Priority Levels combined and relative morbidity factors by Priority Level were developed for all ages combined. Frequently it was apparent that overall differences in utilization rates exist for each gender. In these cases, relative morbidity factors and age factors for the credible male Enrollee population were used to develop smoothed utilization rates for female Enrollees. The overall difference in the utilization rates between male and female Enrollees was maintained. Where gender differences did not appear to exist, age and morbidity factors were generated on male and female data combined. There were also instances where inconsistent age factors were developed from credible and non-credible data. Multiple adjacent age bands were combined in these cases to develop a single age factor for all of the combined age bands.

These non-medical services were incorporated into the utilization and projection model and the resulting FY 2001 bed days for these services was compared to the original bed days from the FY 2001 workload data. Actual-to-expected ratios were developed for each service. These factors were incorporated into the modeling process and represent experience adjustments that enhance the model's prediction capabilities. The actual-to-expected ratios used in the model are listed in the following table.

Non-Medical Bed Section Group	Actual-to-Expected Factor
Blind Rehab	0.918
Spinal Cord Injury	0.985
Psychiatric and PTSD Residential Rehab	0.854
Substance Abuse Residential Rehab	0.907
Compensated Work Therapy Programs	0.980
Respite Care	0.851
Domiciliary Care	0.965

Unit costs (per diems) were developed for each of the non-medical bed section services and are described in Section VII.