Veterans in Two Systems: Medicare Advantage Enrollment and Ongoing Reliance on VA Care

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Introduction

Medicare Advantage (MA) plans are privately operated health plans that receive a prospective monthly payment from Medicare for each enrolled member (whether they use health services or not), and the monthly payment is adjusted up or down based on the individual's health status. MA plans retain the monthly prospective payment even when an enrollee uses no health services. Therefore, MA enrollees who can use other sources of coverage to pay for their care—such as veterans over age 65 who receive some or most of their care through the Veterans Health Administration (VA)—are more profitable for the MA plan. Some MA organizations have developed plans that are specifically marketed to veterans,[1] and tend to offer these plans in areas where they can receive upward payment adjustments and where lower Medicare spending is expected among veterans.[2]

MA plans can be attractive to veterans because many plans are available with a low or no monthly premium, unlike Original Medicare, which requires enrollees to pay monthly Part B premiums of about $185 per month along with coinsurance and deductibles.[3] However, recent evidence suggests that MA enrollment is not substituting for veterans' reliance on VA care. Between 2019 and 2023, VA spending on care for MA-enrolled veterans rose by 77%, even as participation in MA plans

KEY FINDINGS

- Veterans enroll in MA plans to obtain more comprehensive coverage than they can get through Original Medicare or the VA, with low costs and supplemental benefits as major drivers. More than half of the veterans worked with agents or brokers when enrolling in MA plans, and most had positive experiences.
- Most veterans say they are satisfied with their MA plan and use the benefits, but some encountered unexpected costs, said their benefits decreased over time, or found in-home physicals intrusive or annoying.
- Most MA covered veterans continue to receive some of their care through the VA. While use of the VA varies, prescription drug benefits, diagnostic and lab testing, and specialty care were mentioned often. Existing relationships with providers and low out-of-pocket costs were major reasons for continued use of VA care.
- Veterans said they mostly handle benefit coordination themselves and typically do not receive help from their MA plan. However, many said they would welcome more coordination between the VA and MA plans.

[1] Hafner, M., Elkins, R., Ruiz, J., & Joy, S. (2026). *How Medicare Advantage plans market to veterans—and why it matters for VA spending*. American Institutes for Research. https://www.air.org/sites/default/files/2026-05/Medicare-Advantage-Marketing-to-Veterans-Issue-Brief-May-2026.pdf

[2] Pathak, A., & Joy, S. (2026). *Unintended consequences: Examining how Medicare Advantage payment policies encourage aggressive marketing to veterans and duplicative spending*. American Institutes for Research. https://www.air.org/sites/default/files/2026-07/Unintended%20Consequences-Medicare%20Advantage-and-Veterans-Issue-Brief-July-2026.pdf

[3] Medicare.gov. (n.d.). *Compare Original Medicare and Medicare Advantage*. Centers for Medicare & Medicaid Services. https://www.medicare.gov/basics/get-started-with-medicare/get-more-coverage/your-coverage-options/compare-original-medicare-medicare-advantage

increased.[4] In 2020 alone, Medicare was estimated to have paid $1.32 billion for MA enrollees with VA eligibility who received all their care through the VA rather than their MA plan.[5] This represents a type of duplicative payment that occurs when veterans obtain services from both systems while their MA plans receive full payments.

We sought to understand what drives veterans to enroll in MA plans, if or how they use their MA benefits, and whether (or why) they continue to use the VA for care despite being enrolled in an MA plan. To gather veterans' perspectives, we conducted six focus groups with a diverse set of 36 veterans from 18 states. We used focus group data to identify themes and patterns in veterans' MA enrollment decisions, benefit use, continued reliance on VA care, and experiences coordinating care across MA and VA systems (a more detailed methodology is presented in Appendix A). The findings that follow show that veterans often value MA plans for affordability and supplemental benefits while still relying on the VA for low-cost services, trusted providers, and gaps in MA coverage.

Veterans said they enrolled in MA plans to obtain more comprehensive coverage than Original Medicare or the VA offer, at little or no cost.

When they became eligible for Medicare, most veterans said they received a lot of information through mailers and television advertisements and then weighed their coverage options. Notably, while veterans said they received a lot of marketing and advertising outreach from MA plans, none of them specifically recalled veteran-targeted marketing.

Overwhelmingly, veterans told us that low or zero-dollar premiums were the main reason they selected an MA plan over Original Medicare. A few also said they selected an MA plan that provides the "giveback" (the Medicare Part B premium reduction).[6]

> "So it was all monetary for me, and it was all upside, nothing coming out of my pocket ever for anything, which—that sold me right off the bat."
>
> "Well, up here, if I, if I just go to my regular doctor, I'm going to use [MA plan] because there's no deductible, there's no premium, there's no cost at all."
>
> "I lean towards the Medicare Advantage plan for the fact that, one, they give back . . . they have a max out of pocket."
>
> "It doesn't cost anything. I mean, it's free to get the Advantage plan. There's no copay for mine. I've never paid a copay for any of it . . . I've never paid a copay to see my PCP."
>
> —*Veterans*

[4] Trivedi, A. N., Jiang, L., Meyers, D. J., Schwartz, A. L., Kizer, K. W., & Yoon, J. (2025). Spending by the Veterans Affairs Health Care System for Medicare Advantage enrollees. *JAMA Health Forum, 6*(12), e255653. doi:10.1001/jamahealthforum.2025.5653

[5] Ma, Y., Phelan, J., Jeong, K. Y., Tsai, T. C., Frakt, A. B., Pizer, S. D., Garrido, M. M., Dorneo, A., & Figueroa, J. F. (2024). Medicare Advantage plans with high numbers of veterans: Enrollment, utilization, and potential wasteful spending. *Health Affairs*, *43*(11). https://www.healthaffairs.org/doi/10.1377/hlthaff.2024.00302

[6] Reduction in Medicare Part B premium as an additional benefit under Medicare + Choice plans, 42 C.F.R. §408.21 (2022). *Code of Federal Regulations*. U.S. Government Publishing Office. www.govinfo.gov/content/pkg/CFR-2022-title42-vol2/pdf/CFR-2022-title42-vol2-sec408-21.pdf

Veterans' dissatisfaction with Original Medicare and Medigap coverage was a common reason for enrolling in MA plans. Veterans reported that these options provided insufficient benefits, left them with high out-of-pocket costs, and did not adequately cover medical expenses. One veteran, for example, described seeing family members experience severe financial hardship from mounting copays under traditional Medicare, which influenced their decision to choose an MA plan.

Supplemental benefits were also cited as a major factor in veterans' decision to enroll in an MA plan.

Aside from costs, veterans consistently identified supplemental benefits as a key factor in both MA plan selection and perceived value. Dental coverage was the most frequently mentioned desired supplemental benefit because many veterans are not eligible for dental benefits through the VA. Veterans also said they like fitness-related benefits, such as gym memberships and programs like SilverSneakers®, allowances for over-the-counter (OTC) drugs, and vision benefits. Some veterans also mentioned other supplemental benefits, such as gift cards for food or transportation, but these came up less often.

> "I was interested in getting more dental insurance. When they talked about that, I said, 'Okay, well, I'm gonna go with the Medicare Advantage.'"
>
> "I like the SilverSneakers [fitness program], membership to Lifetime, which is quite spendy, really, to have, and I enjoy working out."
>
> "The things I found too compelling to ignore were the rewards they give you just for getting your annual checkup, for getting your vaccinations, for exercising. The OTC benefits, the gym membership, the dental and vision."
>
> —*Veterans*

Some veterans also mentioned choosing MA plans because of challenges with VA care, including wait times, perceived lower quality of care, and long distances to VA facilities. Others cited coverage of pre-existing health conditions or access to a wider range of providers or hospitals available through MA plans. A few mentioned that they enrolled in an MA plan solely to avoid the Medicare Part B penalty, which applies to adults who are eligible for Medicare but delay enrollment and don't have another source of health insurance (VA health benefits are not considered health insurance because they are dependent on an individual's disability rating and generally don't provide full coverage that is comparable to Medicare).[7,8]

[7] Medicare.gov. (n.d.). *Avoid late enrollment penalties*. Centers for Medicare & Medicaid Services. https://www.medicare.gov/basics/costs/medicare-costs/avoid-penalties

[8] The only VA health benefits that qualify as "creditable coverage" are prescription drug benefits. Therefore, veterans with VA prescription drug coverage who enroll in Medicare do not need to purchase a Medicare Part D plan or an MA plan that includes prescription drug coverage. See U.S. Department of Veterans Affairs, Veterans Health Administration. (2026). *Health care benefits overview, 2026 edition (Vol. 1).* https://www.va.gov/HEALTHBENEFITS/resources/publications/10-185_HCBO_2026.pdf

Most veterans got help from an agent or broker when selecting an MA plan.

More than half of the veterans we interviewed worked with an agent or a broker when enrolling in an MA plan, and many sought out these services on their own. They found brokers through a variety of channels, including personal networks, health plan issuers, senior centers, medical offices, veteran and health events, social media platforms, and advertisements. Most had positive experiences with agents and brokers, who helped them compare plans, understand their options, and make informed decisions. A few said they were dissatisfied with their agent's or broker's knowledge, particularly regarding VA benefits and how TRICARE for Life coordinates with MA plans.

> "I used the broker, so I used him to find me the best Medicare Advantage plan, but he really didn't know how TRICARE for Life worked with that."
>
> "I was at a health fair, and the person pulled me aside and started telling me about [plan name], and [plan name] had the in-house—you know, they come to your house every year and give you a physical and all that kind of stuff. And I thought, 'Okay, might as well try it.' So that's why I went with that."
>
> —*Veterans*

Most veterans use their MA plan benefits regularly and generally report satisfaction, with a few notable exceptions.

When asked about plan satisfaction, veterans largely restated their reasons for initially enrolling in MA: low costs, supplemental benefits, and increased or retained access to providers. However, some veterans cited decreasing supplemental benefits, higher out-of-pocket costs, and in-home physicals as aspects of their MA plans that they disliked.

Supplemental benefits. Veterans reported that many supplemental benefits do not provide as much coverage as they would like, and some said those benefits have decreased since they first enrolled. For dental care specifically, several veterans said they wish the plan covered more services that older adults often need, such as crowns, periodontics, and dentures.

> "[T]here's been some hefty out-of-pocket costs for dental work. Because they only do routine. And crowns and implants and stuff like that . . . there's got to be some better coverage."
>
> "They've reduced the eyewear benefit from $350 to $200. But at least it was laid out ahead of time. We saw what the changing benefits would be."
>
> "But the plans seem to cover a little less each year. For example, last year we had the plan we were on last year. Had a $90 per-quarter OTC benefit. They had a little catalog that you could go through and pick out, I don't know, vitamin C, magnesium, whatever you wanted. Up to $90 a quarter. They've cut that out completely this year."
>
> —*Veterans*

Out-of-pocket costs. A few veterans reported unexpected or high out-of-pocket costs, coverage denials, or administrative hassles when using their MA plan.[9] For example, a few had difficulty getting reimbursed for care received while traveling or were unsure what their copay would be if they go to the emergency room. One participant noted that although copays are reasonable, they add up quickly for services such as physical therapy and chiropractic care.

> "And [when] it comes to the physical therapy or, like, a chiropractor, it's not that they don't pay it. They pay it, but the deductible, if you're seeing a physical therapist twice a week. I'm paying $20 a visit with this plan. My last one was $30. And so that adds up quick."
>
> "I always am concerned if I get my blood drawn or an X-ray, or go to the ER—oh my gosh, how much is my copay gonna be?"
>
> *—Veterans*

In-home visits. Several veterans mentioned that their plan required an in-home annual physical if they did not have a physical in a regular office visit. Although a few found home visits convenient—saying it was easier than traveling to an appointment and promoted care coordination with their PCP—others said these visits were annoying and unnecessary.

> "It seems to be their requirement. They've come to my house twice, and two different years, and after that, I refused to have him come."
>
> "They were bugging me about wanting to come to the house . . . but I'm already in a clinic that sees—it's a senior-focused clinic . . . I really don't want anybody else coming in my home."
>
> "It was no big deal; I just got tired of them calling, asking me about it. And they supposedly give you a bonus on your card that your card . . . you know, for over-the-counter."
>
> *—Veterans*

Many veterans continue to rely on the VA health system for part of their care.

All but three of the 36 veterans said they continue to obtain part of their health care through the VA even though they have an MA plan. The extent to which veterans use VA care varied widely, and for some, access was limited by their low disability rating.[10] Several veterans compared out-of-pocket costs between both sets of benefits and said that VA care offered much greater protection against large medical bills, even for services that are considered supplemental under their MA plan, such as hearing aids and glasses. However, most veterans said that low-cost prescription drugs, access to other services such as lab testing, and relationships with trusted providers were the main reasons they continued to rely on VA care.

[9] We note that most veterans in the focus groups were enrolled in preferred provider organization (PPO) plans. However, a few said they had previously been enrolled in a health maintenance organization (HMO) plan and switched to a PPO to have a broader choice of providers and no prior authorization requirements.

[10] Eligibility for VA health benefits and associated costs is determined by a veteran's service-connected disability rating. See U.S. Department of Veterans Affairs. (2024, November 5). *About disability ratings*. https://www.va.gov/disability/about-disability-ratings/

Low-cost prescription drugs and other services. To avoid financial penalties, Medicare-eligible individuals are required to obtain prescription drug coverage by purchasing a Medicare Part D plan, enrolling in an MA plan that includes prescription drug coverage, or showing that they have creditable drug coverage from another source.[11] Because the VA provides creditable drug coverage, many veterans said they do not have drug coverage under their MA plan and instead obtain their medications through the VA, often at little or no cost.

> "….some medication I was on, some blood thinner, was not covered under [MA plan], and the copay was, like, $300 a month."
>
> —*Veteran*

However, veterans said that not all drugs were available through the VA. A few reported that certain medications—especially newer drugs such as GLP-1s and some acute pain medications—were either not covered by the VA or had waiting periods. In these cases, some veterans used their MA plan to fill the gap.

> "VA doesn't cover every prescription . . . [the] VA's not going to cover the new, most modern medications that are out there."
>
> "I still cannot get the VA in [city] to prescribe Jardiance. So, for that reason, I used my Medicare Advantage."
>
> "So, let's say you need a painkiller for something. The VA will not give that to you right away. . . . So, if I go to the [MA] doctor, they say, okay, . . . you broke your ankle, here's a painkiller. I gotta pay for that out of my pocket, but it's so cheap that it doesn't matter, because I get $135 added back onto my Social Security check anyway."
>
> —*Veterans*

Among veterans who said they have MA prescription drug benefits, satisfaction with those benefits was mixed and often depended on the type of medication they needed. Some veterans said they obtained medications for chronic conditions, such as hypertension and diabetes, at little or no cost through their MA plan, while others reported lower out-of-pocket costs through the VA. A few veterans noted that they could have a prescription written by a non-VA provider to be filled through the VA, and vice versa.

Veterans also described using the VA for services that would involve out-of-pocket costs under a typical MA plan, such as lab work, specialty care, and diagnostic testing. Several veterans also liked the option to use the VA's Community Care benefit,[12] saying it offered faster access to care than the VA, closer to home, and for little or no out-of-pocket cost.

[11] Medicare.gov. (n.d.). *Creditable prescription drug coverage*. Centers for Medicare & Medicaid Services. https://www.medicare.gov/health-drug-plans/part-d/basics/creditable-coverage

[12] Under the Community Care benefit, the VA contracts with private community providers to provide care to veterans when the VA is unable to provide the services a veteran needs. See U.S. Department of Veterans Affairs. (2024, June 21). *Community care home*. https://www.va.gov/COMMUNITYCARE/index.asp

"… any X-rays, labs, testing that needs to be done, I just run down to [VA Medical Center] . . . there's ironclad protection against any surprise billing of any kind."

"Because of osteoporosis, I have, bone scans, all done through the VA at no charge."

—Veterans

Provider relationships. About a quarter of veterans said they had used VA care before becoming eligible for Medicare, with some using it for decades. These veterans saw no reason to switch to MA providers. Most said they have a trusted primary care provider through the VA, and some had been receiving specialty care for long periods for chronic conditions, behavioral health, surgery, and other needs.

"For the longest time. . . all of my medical care has been provided at a veterans medical center . . . the VA takes care of me, and I'm happy with that."

"I've been out since I was, you know, in my 30s, and so . . . I've been using the VA for 30 years."

—Veterans

Veterans know that VA and MA benefits do not work together, but they typically are not getting help with benefit coordination through their MA plan.

Veterans generally understood that VA and MA plans do not work together to coordinate their benefits and said they need to be proactive in coordinating their own care. Most described navigating between VA and MA benefits based on costs, covered services, provider preferences, and convenience. A few veterans said they have an agent they can rely on for this kind of help, but such assistance was uncommon.

"[M]ost people I've talked to—because I've researched a lot in the last couple years before I went on Medicare Advantage—either they know all about the VA, or they know all about Medicare Advantage, but nobody I've found knows about both, to where they can make, you know, some comparisons."

"I mean, they're gonna be . . . if they're talking to each other, they're comparing notes, and I think it would help alleviate redundancies . . . having that communication wouldn't be a bad thing."

—Veterans

Several veterans said MA plans are not fully transparent about their benefits. Most received information about their MA plan benefits through insurer materials, such as annual explanations of benefits, but many found these materials dense, complex, and difficult to understand, making it hard to determine exactly what services were covered or whether certain providers are still in network.

"Very convoluted, very difficult to understand. Whether I go online, I try to chat, it drops the chat, I can't get the answers; I try to call, then they switch me to three more transfers."

"So, yeah, that's the problem I have with Medicare Advantage. They don't give you enough information—at least for me—before you sign up. And then you find you sign up and you find out, you know, what you really needed is not available."

"Make it as simple [as possible] for laypeople. That's probably my biggest complaint."

—Veterans

Conclusion

Veterans in our focus groups chose MA plans to obtain Medicare coverage that offered additional benefits at minimal cost. Low and zero-dollar premiums, along with dental, vision, and other supplemental benefits, were common reasons for enrolling in and being satisfied with their MA plans. Notably, although about a third of veterans we spoke with were enrolled in veteran-targeted plans, very few cited this as an important factor when choosing an MA plan. Overall, veterans were generally satisfied with their MA plans but expressed concerns about benefit reductions, unexpected costs, and attempts by plans to conduct in-home annual physicals.

Nevertheless, enrollment in an MA plan did not eliminate veterans' reliance on the VA for health care. Although the extent of VA use varied, most veterans in our focus groups were using VA benefits to obtain a variety of items and services, including prescription drugs, eyeglasses, hearing aids, surgery, and specialty care. Many also liked the VA's Community Care option, which allowed them to receive care from private, non-VA providers who were often more convenient and accessible than the nearest VA facility. Veterans generally understood the range of benefits available to them and often used VA and MA coverage strategically to maximize their access to care and minimize out-of-pocket costs. Even so, many said they would like to see greater coordination between VA and MA benefits, as well as more transparent information from MA plans about covered services and benefits.

These findings raise important questions about how federal policymakers can reduce duplication of services, such as primary care visits, lab testing, and diagnostic services, as well as related costs for veterans who receive both VA and MA benefits. Use of incentives for veterans to complete in-home health risk assessments is one example of a strategy that MA organizations may use to capture additional diagnoses that increase MA plan payments, even when veterans receive care for those conditions through the VA health system rather than the MA plan. Although veterans are entitled to both VA and MA benefits, payments to MA plans for veterans who receive a substantial portion of their care through the VA represent potentially wasteful spending and missed opportunities to coordinate care for this population.

Appendix A. Qualitative Data Sources and Analysis Approach

To systematically identify patterns in veterans' experiences and perspectives, the American Institutes for Research (AIR) conducted a thematic analysis of the focus group transcripts using a structured coding approach. This process helped promote consistency across researchers and ensure that findings were grounded in the focus group discussions.

Between March 11 and 16, 2026, AIR conducted six focus groups with 36 veterans from 18 states. Discussions focused on four main areas:

1. Veterans' reasons for enrolling in MA plans and the factors that influenced their decisions.
2. Veterans' experiences using their MA plans.
3. Veterans' experiences receiving health care through the VA, including reasons they do or do not use the VA health system.
4. Veterans' understanding of, or desire for, coordination between VA and MA benefits.

Participation and Response

AIR engaged L&E Research to recruit veterans for the focus groups. AIR developed an outreach and screening tool to ensure that participants were veterans eligible for VA health benefits and enrolled in an MA plan. Participant characteristics collected during screening are presented in Exhibit 1.

L&E recruited participants through its proprietary database and responses to social media advertisements and verified participants' identities through technology checks before each focus group. AIR conducted six 90-minute virtual focus groups via Microsoft Teams using a structured protocol (see separate file, Appendix B), with six veterans participating in each group. Before each session, AIR researchers informed participants of the study's purpose, confidentiality protections, and participant rights, and obtained verbal consent to participate and to record the discussion. Veterans who participated in a focus group received a $100 gift card as a thank you for their time.

Exhibit 1. Characteristics of Veterans Who Participated in Focus Groups

Characteristic	Percentage
Age Range	65–81
Gender	Male: 78%; Female: 22%
Race/Ethnicity	White/Caucasian: 80%; Black/African American: 17%; Hispanic/Latino(a): 3%
Enrolled in Veteran-targeted plan	31% (69% unknown)

Characteristic	Percentage
Use MA plan exclusively	8%
One or more chronic condition	78%
Behavioral/Mental health condition	17%
Functional limitation	3%

Analysis

AIR recorded and transcribed each focus group discussion, then imported each transcript into NVivo for coding and thematic analysis. AIR researchers used a codebook to code participant responses (see separate file, Appendix C).

To test inter-rater reliability, each of the three researchers independently coded one focus group transcript and then compared their coding, with the goal of obtaining at least 85% coding agreement for each code. For codes that fell below the 85 percent threshold, the researchers reviewed the coding to build a shared understanding of the content. Once agreement was established, the researchers independently coded the remaining transcripts, reviewed the output for each code, and used a standard analysis template to summarize key themes and identify illustrative quotes. To ensure accuracy throughout the analysis and reporting process, the lead researcher conducted quality checks on both the raw coded output and the individual analysis templates.

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