

## Overview of Veteran's Benefits

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Veterans Administration (VA) benefits should be of particular interest to Elder Law practitioners, especially as these benefits may affect Medicaid services. State Medicaid programs generally require their applicants to apply for VA benefits at the time of the Medicaid application. VA benefits can supplement or even supplant Medicaid benefits, leaving the client in a better position than if they were only eligible for Medicaid.

Shifting the cost of health care and long term care to the VA has other benefits. As Medicaid benefits are cut, VA benefits will become increasingly important. VA long term care and health care benefits reduce the burden for these services placed on the Medicaid system making the Medicaid system more solvent. While a stigma has been applied to Medicaid planning, there is no stigma attached to a veteran or a veterans's family obtaining benefits.

Medicaid applicants may be eligible for a wide range of veterans' benefits, including monetary benefits, such as survivor benefits, as well as health care and long term care benefits. Eligibility for these benefits can either lower Medicaid's cost of care through monetary assistance from the applicant themselves or eliminate the cost altogether by referral to the Veteran's Administration.

The number of people potentially eligible for VA benefits is staggering. Currently, there are approximately 25 million veterans alive in the United States. Three of every four of these veterans served during war time or during an official time of hostility. This means that today, approximately 70 million people are potentially eligible for some type of Veterans Administration (VA) benefits or services because they are veterans, family members of veterans, or survivors of veterans. [http://www1.va.gov/about\\_va/](http://www1.va.gov/about_va/), (last visited 1/9/2004)

Moreover, there are a wide range of services and benefits available to veterans and their families. Some of the more recognized benefits include health care benefits, disability compensation, pension, home loan guaranties, life insurance, and burial benefits. Following is a brief summary of these benefits and their eligibility standards. This article is not intended to be an exhaustive analysis of all the available benefits and all eligibility requirements, but rather to

apprise the Elder Law attorney of services generally available.

### Health Care Benefits

Perhaps the most important veteran's benefit is the VA health care benefits. VA has approximately 1,300 care facilities, including 163 hospitals, 850 ambulatory care and community-based outpatient clinics, 206 counseling centers, 137 nursing homes and 43 domiciliary facilities. There are more than six million veterans enrolled in the VA health care system. <http://www1.va.gov/pressrel/enrollben.htm> (last visited 1/9/2004)

### *Medical Benefits Package*

In 1996, legislative changes created the VA Medical Benefits Package. The Medical Benefits Package is a standardized health benefits plan available to all enrolled veterans, offering both preventive and primary care. These services include:

- Primary Health Care
- Preventive services, including immunizations, screening tests, and health education and training classes
- Diagnosis and treatment
- Surgery, including outpatient surgery
- Mental health and substance abuse treatment
- Home health care
- Respite (inpatient), hospice and palliative care
- Urgent and limited emergency care
- Drugs and pharmaceuticals

The Benefits Package does not generally include hearing aids and eyeglasses, unless they are necessary for treatment of a service-connected disability.

<http://www1.va.gov/pressrel/enrollben.htm> (last visited 1/9/2004)

Most veterans have to enroll to receive benefits. Veterans who do not have to enroll include: veterans with a service-connected disability of 50% or more, veterans who were discharged from the military within the last year but have not yet been rated for a VA disability

benefit, and veterans seeking care for only a service-connected disability.

<http://www1.va.gov/pressrel/enrollben.htm> (last visited 1/9/2004)

Veterans who must enroll can apply for enrollment at any veteran's benefits office or any VA health care facility. Upon application, VA will verify the enrollment information and process the application. Veterans are notified by mail of any entitlement to benefits.

Budgetary constraints make it necessary for the VA system to provide benefits based on a priority system. Upon enrollment, veterans are placed into one of seven priority groups ( prior to January of 2003, there were eight priority groups). Priority 1 veterans are entitled to the maximum amount of services, while priority 7 benefits are more limited. Enrollment for medical benefits occur based on the following priorities:

~~Priority 1: veterans with service-connected disabilities who are rated with 30 or 40 percent or more service-~~

based threshold, but whose net worth exceeds VA's ceiling (currently \$80,000 in liquid assets; a residence and automobile would not be included) who agree to pay co-payments. If the veteran refuses to pay the co-payment the veteran is ineligible for care.

(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 6 - 7)

These priority groups are applicable to enrollment only. The actual services available to veterans are not based on the priority groups. Enrollment is reviewed each year and veterans are notified in writing of any change in their enrollment status.

(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 7)

Veterans who want to enroll in priority group 5 based on their inability to defray the cost of care must provide VA with information regarding their annual income and net worth so that VA can determine whether they are below the "means test" financial threshold. During financial assessment, VA will look at the applicant's gross income, including social security, U.S. Civil Service retirement, military retirement, interest and dividends. Assets are also considered, including bonds, IRAs, stocks and savings accounts.

(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 7)

VA will also determine whether the applicant meets the geographic income test. If the veteran's income is below the threshold in the geographical area where the veteran lives, he or she is eligible for an 80 percent reduction in the inpatient co-payment rates.

(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 8)

VA charges co-payments to higher-income veterans for medical care not related to military service. Co-payments may be charged for the following services: prescriptions, primary care outpatient visits, specialty care outpatient visits, and inpatient hospital care.

(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 8)

## *VA Long Term Care*

The VA offers long term care benefits to veterans enrolled in the health care system. Approximately 65,000 veterans receive inpatient long term care services from VA annually. Most VA medical centers also provide outpatient long term care programs. This allows veterans to remain in their home setting for as long as possible.

<http://www1.va.gov/opa/fact/docs/lc03.htm> (last visited 1/9/2004)

The non-institutional care provided by the VA includes:

**Home-Based Primary Care:** provides long-term primary medical care to chronically ill veterans in their homes; care is coordinated by an interdisciplinary treatment team.

**Contract Home Health Care:** Professional home care services, mostly nursing services, are purchased from private-sector providers.

**Adult Day Health Care:** provides health maintenance and rehabilitative services to veterans in a group setting during daytime hours.

**Homemaker and Home Health Aid:** health-related services provided in the community by both public and private agencies under a system of care management provided by VA staff.

**Community Residential Care:** provides room, board, limited personal care and supervision to veterans who do not require hospital or nursing home care but are not able to live independently and have no family to provide care.

**Respite Care:** provides temporary relief for the family member caregiver of a chronically ill or disabled veteran at home.

**Domiciliary Care:** residential rehabilitation program that provides short-term rehabilitation and long term health maintenance to veterans who require minimal medical care as they recover from medical, psychiatric, or psychosocial problems.

<http://www1.va.gov/opa/fact/docs/lc03.htm> (last visited 1/9/2004)

VA provides long term care benefits through its own nursing home care centers. The VA also contracts for such care with community nursing homes and state homes. The VA has contracts with approximately 2,500 community nursing homes. The state home program encompasses 103 nursing homes in 47 states. The state home program is based on a joint cost-sharing agreement between the VA, the veteran and the state.

<http://www1.va.gov/opa/fact/docs/lcure03.htm> (last visited 1/9/2004)

Eligibility for nursing home care is quite limited. The following veterans may be eligible:

- Any veteran who has a service-connected disability rating of 70 percent or more
- A veteran who is rated 60 percent service-connected and is unemployable or has an official rating of “permanent and total disabled”
- A veteran with combined disability ratings of 70 percent or more
- A veteran whose service-connected disability is clinically determined to require nursing home care
- Nonservice-connected veterans and those officially referred to as “zero percent, noncompensable, service-connected” veterans who require nursing home care for any nonservice-connected disability and who meet income and asset criteria
- If space and resources are available, other veterans on a case-by-case basis with priority given to service-connected veterans and those who need care for post-acute rehabilitation, respite, hospice, geriatric evaluation and management, or spinal cord injury

<http://www1.va.gov/opa/fact/docs/lcure03.htm> (last visited 1/9/2004)

**The VA will provide up to 45 days of nursing home care if there is a hospitalization and there is a waiting period for the veteran to get eligible for Medicaid.**

**Some veterans may be responsible for paying co-pays. The maximum co-payment rates that can be charged for long-term care services are:**

- 1. Nursing home, inpatient geriatric evaluation, inpatient respite: \$97/day**
- 2. Adult day health care, outpatient geriatric evaluation, outpatient respite: \$15/day**
- 3. Domiciliary care: \$5/day**

**Co-payments vary from veteran to veteran and is based on ability to pay.**

<http://www1.va.gov/pressrel/enrollben.htm> (last visited 1/9/2004)

### **Disability Compensation**

**Disability compensation is a benefit paid to veterans who are disabled by injury or**

**disease incurred or aggravated during active military service. In order to qualify, the veteran's service must not have been discharged or separated dishonorably. The amount of disability compensation received varies with the degree of disability and the number of dependents. The benefit payments are made by direct deposit or check. Benefits are paid monthly and are not subject to federal or state income tax.**

**(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 18).**

**The following are the 2004 VA Disability Compensation Pay Rates:**

of reproductive organ or its use, or loss of breast tissue. Additional payments may also be made if the veteran requires assistance with activities of daily living. This additional amount is referred to as “aid and attendance.”

<http://www1.va.gov/OPA/fact/docs/04combrates.htm> (last visited 1/9/2004). “Aid and attendance” care payments are not considered as income in “Income Cap” states.

### Pension

Veterans who have low income and are permanently and totally disabled may be entitled to a pension benefit. The veteran must have served actively in the military for 90 days or more and at least one of those days must have been during war time. To qualify, the veteran must not have been discharged dishonorably and the veteran must not be disabled due to the veteran’s own willful misconduct. VA will pay an amount to bring the veteran’s total income to a level set by Congress, currently \$807 per month for a veteran with no dependents. If a veterans medical expenses exceed \$484 per month the excess expenses reduce the veteran’s current income from other sources, effectively increasing the net pension. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 22)

### Home Loan Guarantees

VA provides VA loan guarantees to service members, veterans, reservists and unmarried surviving spouses. The VA loan guaranty can be used to: buy a home or condominium, build a home, repair or alter a home, refinance an existing home loan, buy a manufactured home, improve a manufactured home, install weatherization improvements, install energy-efficient improvements, refinance a loan to a lower interest rate and/or to make energy-efficient improvements, and to refinance a manufactured home loan to acquire a lot. With a VA loan guarantee, the purchaser can obtain a mortgage with a competitive interest rate, possibly without a down payment if the lender is in agreement.

VA will always require a down payment, however, when the purchaser is purchasing a manufactured home, when the purchase price exceeds the reasonable value of the property or the loan has a graduated payment feature. If the borrower fails to repay the loan, the VA guaranty provides the purchaser with protection against loss up to the amount of the guaranty. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 32)

*Eligibility*

Applicants for the VA home loan guarantees must have a good credit rating, have an income sufficient to support mortgage payments, and agree to live in the property. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 32)

*Guaranty Amount*

The following are loan guaranty entitlement limits established by the VA:

<b>Loan Amount</b>	<b>Guaranty Percent</b>	<b>Maximum Amount</b>
Up to \$45,000	50	\$22,500
\$45,001 to \$56,250	40-50	\$22,500
\$56,251 to \$144,000	40	\$36,000
\$144,001 or more	25	\$60,000
Manufactured home or lot	40	\$20,000

(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 74)

## **Burial Benefits**

### *VA Cemeteries*

**Military members may be eligible for burial in a VA national cemetery. Veterans are eligible as long as they were discharged under conditions other than dishonorable. Servicemen must have served for at least 24 months or for a full period of active duty. Reservists and National Guard members are eligible if they were entitled to retirement pay at the time of death, or they would have been entitled if they had not been under the age of 60. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 44)**

**Spouses, as well as minor and disabled children, of eligible military members are permitted to be buried in a VA national cemetery. A surviving spouse that remarries, however, is not permitted to be buried in a VA national cemetery unless that marriage is terminated by death, annulment, or divorce. The “minor children” rule applies to unmarried children under the age of 21, or under the age of 23 if the child was enrolled in school full time. Disabled children can also be buried in a national cemetery as long as the disability occurred prior to age 21 (or age 23 if a full time student).**

**(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 44)**

### *Headstones and Markers*

**VA will provide headstones or markers at no charge for the grave of eligible military members buried worldwide. Headstones or markers can also be provided for eligible spouses and dependents buried in military, state, or national veterans cemeteries. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 45)**

**All VA furnished headstones and markers are inscribed in the same name**

(<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 45)

### **Survivor Benefits**

#### ***Dependency and Indemnity Compensation (DIC)***

Surviving Spouses who have not remarried (unless that marriage has been terminated due to death, annulment, or divorce), unmarried children under age 18, “helpless” children between 18 and 23 years of age who are attending a VA approved school, and low-income parents of deceased servicemen and veterans may be entitled to DIC. For survivors to be eligible, the deceased military member must have died from: (1) a disease or injury incurred or aggravated while on active duty or active duty training; (2) an injury incurred or aggravated in the line of duty while on inactive duty training, (3) a disability compensable by VA. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 49)

Survivors may be eligible even if the total service-connected disability was not the actual cause of death if the following applies:

1. the veteran was continuously rated totally disabled for a period of 10 or more years immediately preceding death, or
2. the veteran was so rated for a period of at least 5 years from the date of the military discharge, or
3. the veteran was a former prisoner of war who died after September 30, 1999, and who was continuously rated totally disabled for a period of at least one year immediately preceding death. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 49)

Surviving spouses of eligible military members who died on or after January 1, 1993, receive \$948 per month. For a military member who died prior to January 1, 1993, the amount paid is \$948 or an amount based on the military member’s pay grade. Additional amounts may be paid for dependent children. In general, a surviving spouse

can receive \$237 per dependent child. “Aid and attendance” income may also be paid if the surviving spouse is a patient in a nursing home or requires the regular assistance of another person. (<http://www1.va.gov/pubaff/fedlben/Fedlben.pdf>, Federal Benefits for Veterans and Dependents VA Pamphlet 80-03-1, P94663, p. 49-50) Note that “aid and attendance” income is not considered countable income for Medicaid eligibility purposes in some states.

### **Miscellanea**

Merchant Marine seamen who served in World War II may qualify for VA benefits.

Children of Vietnam Veterans born with certain birth defects including spina bifida are eligible for a monthly monetary allowance, health care specific to the disability, and vocational training if feasible.

The spouse and children of a veteran killed in the line of duty, a veteran with a 100% service connected disability, or a veteran who died from a service connected disability may be eligible for free medical care. The Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) provides reimbursement for the spouse or child’s medical expenses (including skilled nursing care and prescription medications).

Disabled veterans may be entitled to grants for a home specially adapted to their needs or to make adaptations to their residence. Disabled veterans may also be entitled to adaptive equipment for an automobile and a one time payment of \$9,000 toward an automobile.

Education and training programs for veterans (GI Bill) and life insurance benefits are also available for veterans, but will not be discussed

### **Further Information**

**This is only a brief summary of the benefits made available to veterans. For further information on Veterans Administration benefits contact any VA regional office or view their website at <http://www.va.gov>. Applications for VA Compensation and Pension and Health Benefits can be completed online. VA may also be contacted by phone at #1-800-827-1000.**