

August 25, 2011

**INCOME THRESHOLDS AND CLINICAL CRITERIA USED IN IDENTIFYING
VETERANS EXEMPT FROM EXTENDED CARE SERVICE AND OUTPATIENT
MEDICATION CO-PAYMENT AND IN DETERMINING ELIGIBILITY FOR
BENEFICIARY TRAVEL**

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides the Calendar Year (CY) 2011 income thresholds to be used in identifying Veterans who are exempt from co-payment requirements that apply to the receipt of extended care services. This Directive also provides the income threshold to be used in determining a Veteran's eligibility for beneficiary travel benefits, exemption of co-payment for outpatient medications furnished on an outpatient basis and clinical criteria for determining whether a Veteran is in need of the Aid and Attendance (A&A) of another person, or is housebound.

2. BACKGROUND: The law requires that the applicable pension rate, as defined under Title 38, United States Code (U.S.C.) Section 1521, is to be used to determine if a Veteran is exempt on the basis of such income level from the co-payment requirements that apply to the receipt of extended care services. Such pension rate is also used to determine a Veteran's eligibility for beneficiary travel benefits and an exemption of co-payment for outpatient medications. In December 2010, the Veterans Benefits Administration (VBA) announced that there will be no increase in Department of Veterans Affairs (VA) pension rates for CY 2011. Thus, this Directive is being reissued to replace CY 2010 with CY 2011.

3. POLICY: It is VHA policy that the income thresholds in subparagraph 4b must be used in determining exemptions from co-payment for extended care services, and for determining eligibility for beneficiary travel and the exemption of co-payment for outpatient medications.

NOTE: These income thresholds are adjusted annually and may be found at the following Web site: <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>

4. ACTION

a. Each medical facility Director is responsible for ensuring that procedures are in place to identify:

- (1) Veterans who are exempt from the co-payment requirements for extended care services.
- (2) Veterans who are exempt from the co-payment requirements for outpatient medications.
- (3) Veterans who are eligible for beneficiary travel benefits.

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b. Eligible Veterans must meet any of the following for an exemption from co-payments or beneficiary travel benefits:

(1) **Receipt of Pension.** If a Veteran is in receipt of a pension under 38 USC 1521, the Veteran is co-payment exempt for extended care services and outpatient medication and is eligible for beneficiary travel benefits.

(2) **Extended Care Services.** Veterans are exempt from this co-payment requirement if their household income is at, or below, the single Veteran maximum annual rate of pension. The CY 2011 rate is \$11,830.

(3) **Outpatient Medication and Beneficiary Travel Eligibility**

(a) Veterans are exempt from outpatient medication co-payment requirements and eligible for beneficiary travel benefits if their household income is at, or below, the maximum annual rate of pension. The CY 2011 rates are:

1. The base rate is \$11,830.
2. The base rate with one dependent is \$15,493.
3. Add \$2,020 for each additional dependent.

(b) In the case of a Veteran determined by a VA clinical assessment to need A&A of another person or who is housebound (HB); as defined by Title 38 Code of Federal Regulations (CFR) Sections 3.351(b), 3.351(c), 3.351(d)(2), or 3.352 (a) (see Att. A); the maximum annual rate of pension, adjusted for increases for A&A or HB, is used to determine the exemption from outpatient medication co-payment requirements and the eligibility of the Veteran for beneficiary travel benefits. The CY 2011 rates, adjusted for A&A and HB, are as follows:

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|---|----------------|---------------|
| 1. The base rate. | A&A = \$19,736 | HB = \$14,457 |
| 2. The base rate with one dependent. | A&A = \$23,396 | HB = \$18,120 |
| 3. Add \$2,020 for each additional dependent. | | |

5. REFERENCES

- a. Title 38 U.S.C. § 111.
- b. Title 38 U.S.C. § 1503.
- c. Title 38 U.S.C. § 1521.
- d. Title 38 U.S.C. § 1710B.

e. Title 38 U.S.C. § 1722A.

f. Title 38 CFR 108.

g. Title 38 CFR 110.

h. Title 38 CFR 111.

6. FOLLOW-UP RESPONSIBILITY: Chief Business Officer (10NB) is responsible for the content of the Directive. Questions may be referred to (202) 461-1589.

7. RESCISSION: VHA Directive 2010-042 is rescinded. This VHA Directive expires August 31, 2013.

Robert A. Petzel, M.D.
Under Secretary for Health

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ATTACHMENT A

AID AND ATTENDANCE or HOUSEBOUND CLINICAL DETERMINATION

1. The Aid and Attendance (A&A), or Housebound (HB) clinical determination is used for determining applicable income threshold for exemption of medication co-payment and beneficiary travel eligibility
2. The Veteran must meet the definition of A&A as defined by Title 38 Code of Federal Regulations (CFR) Sections 3.351(b), 3.351(c), and 3.351(d)(2). The maximum annual pension rate with A&A is used to determine exemption from medication co-payment requirements and eligibility for beneficiary travel benefits.
 - a. For A&A consider the:
 - (1) Inability of the Veteran to dress, undress, or to keep ordinarily clean and presentable;
 - (2) Frequent need of adjustment of any special prosthetic or orthopedic appliances which by reason of the particular disability cannot be done without aid (this will not include the adjustment of appliances which normal persons would be unable to adjust without aid, such as supports, belts, lacing at the back, etc.);
 - (3) Inability of the Veteran to feed oneself through loss of coordination of upper extremities or through extreme weakness;
 - (4) Inability to attend to personal needs, such as toileting and bathing; or
 - (5) Incapacity, physical or mental, which requires care or assistance on a regular basis to protect the claimant from hazards or dangers incident to the Veteran's daily environment.
 - b. Bedridden is a proper basis for the determination. For the purpose of this Directive, "bedridden" is that condition which, through its essential character, actually requires that the claimant remain in bed. The fact that claimant has voluntarily taken to bed or that a physician has prescribed rest in bed for the greater or lesser part of the day to promote convalescence or cure does not suffice. It is not required that all of the disabling conditions enumerated in this paragraph be found to exist before a favorable rating may be made. The particular personal functions which the Veteran is unable to perform need to be considered in connection with the Veteran's condition as a whole. It is only necessary that the evidence establish that the Veteran is so helpless as to need regular A&A, not that there be a constant need. Determinations that the Veteran is so helpless as to be in need of regular A&A are not based solely upon an opinion that the Veteran's condition is such as would require the Veteran to be in bed; they must be based on the actual requirement of personal assistance from others.
3. The Veteran must meet the definition of "permanently housebound" as defined by 38 CFR 3.351(d)(2). The maximum rate of pension with HB is used to determine exemption from

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medication co-payment requirements and eligibility for beneficiary travel benefits. The following applies to HB.

- a. The Veteran is substantially confined to the Veteran's dwelling and the immediate premises, or
- b. If institutionalized, the Veteran is confined to the ward or clinical area, and
- c. It is reasonably certain that the Veteran's disability, or disabilities, and resultant confinement will continue throughout the Veteran's lifetime.