

RFI 3077

VA Benefits and Medicaid

-Original Message-----

From: Vermeer, Jennifer <LEGIS>

Sent: Monday, February 10, 2003 5:08 PM

To: Palmersheim, Patrick <ICVA>; Kate Walton; Diana, Steiner <IVH>; Wright, Greg <IVH>;
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Cc: Burk, Lisa <LEGIS>; Lerdal, Sue <LEGIS>; Trow, Brad <LEGIS>; Matthes, Peter <LEGIS>

Subject: HHS Subcommittee Agenda - Veterans/Medicaid Long-term Care

The co-chairs of the Health and Human Services Subcommittee would like to spend 1 hour on Thursday, March 6 discussing the issue of signing up veterans for veterans' benefits as a cost savings to long-term care. This is an issue that was discussed in the Program Elimination Committee. We plan to also invite representatives from the VFW.

As there have been a lot of questions/confusion surrounding this issue, we would like prepare some information to present to the subcommittee in advance of the meeting. In order to do that we need to answer several questions. The questions are listed below. If you could provide answers by the end of next week (2/21), that would be greatly appreciated.

Patrick:

Who is eligible for the veterans' benefits? Is there an income requirement? If so, what is it? Are all veterans eligible, regardless of the type of service (i.e. is anyone who was enlisted at any time eligible, or just those who served in a war)? What is the benefit level? For how long can a veteran receive the benefits?

Patrick/DHS: (LISA ROBERTS)

If a veteran has been receiving the benefits, what happens when all of their other resources are exhausted and they apply for long-term care through Medicaid? Can they continue to receive the benefits? Are the benefits used to offset the cost of their care?

I believe that veterans pension benefits are reduced to \$90 when Medicaid is approved and the full \$90 is allowed for personal needs on those individuals. Veterans compensation payments are not subject to the \$90 reduction and are not entitled to the \$90 personal needs allowance.

VA would need to review this response as to which benefits are reduced and when the benefits are reduced. Otherwise any portion not attributable to aid and attendance or unusual medical expenses is counted as unearned income and is also counted for client participation which reduces the Medicaid payment for nursing facility care. The portion of a VA compensation or pension that is for aid and attendance, housebound allowance, or is attributable to unusual medical expenses is not considered income. However, payment for aid and attendance or housebound allowance is a third party medical resource and even though it is not counted as income it is used to calculate the client participation which reduces the amount Medicaid pays toward the nursing facility care. The portion of a VA payment that is attributable to unusual medical expenses (UME) is not counted for client participation so it does not reduce the Medicaid payment for nursing facility care.

DHS (Lisa Roberts and Jennifer Steenblock):

What would be the impact to the Medicaid long-term care system of getting more veterans signed up for veterans' benefits when they are first admitted to a nursing facility? **Currently there are 1095 Medicaid recipients identified to be receiving a VA pension (veterans or spouses). Of the 1095, 931 reside in nursing facilities and 164 are receiving Home and Community Based Waiver (HCBS) services. For Medicaid applicants, the Department currently screens for eligibility for veteran's benefits (pensions). If the veteran is admitted initially as a Medicaid recipient, the screening is completed. It is difficult to determine the impact to Medicaid if the screening is done prior to the need for Medicaid funding, as there is no**

way to identify the numbers of individuals that may be affected. There should not be a requirement for documentation of eligibility of VA benefits as a condition of admission, as the veterans may experience a delay in receiving the services that are needed.

How would receiving the benefits impact the spend down of their assets?
Could it significantly affect long-term care costs in Medicaid? **There is potential for cost savings, because veteran's benefits could be applied toward the cost of care so that private pay resources would last longer. The significance is unknown at this time as some individuals eligible for veterans benefits may already be under the Medicaid resource limit at the time they enter a facility. Getting veterans benefits started at the time of admission would only affect the cost of Medicaid for those veterans who have resources in excess of the Medicaid limits allowing them to pay their own costs for a longer period of time. DHS does not have information on the number of veterans who are eligible for Medicaid in the month of admission to a long term care facility. For applicants of HCBS services, it may not be known or understood that individuals could be eligible for the VA benefits while living in their own home. Therefore, this may be an area of cost savings to further review. Another area for further review would be for Medicaid recipients eligibility for VA medical services (not just the pensions).**

Nursing Home Industry:

We have heard representatives from the industry say that individuals are already asked when they enter a facility whether or not they are a veteran. What is your perspective on why so many eligible veterans are not receiving their benefits? Do you think there may be confusion about who is eligible, etc.? Do you think the question is asked uniformly of all future residents upon application? What can be done to improve this process?

VFW:

What is your perspective on this issue? What are the barriers to signing up for the benefits?

Veterans' Home:

What types of benefits do residents of the Veterans' Home receive? What is the VA per diem reimbursement? How many of the residents also receive the veterans' benefit payments discussed

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