

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

200.07.09B VA COMPENSATION PAYMENTS

VA pays compensation payments based on a service-connected disability or death.

1. Disability Compensation

Veterans are eligible for disability compensation when they have disabilities that result from diseases or injuries incurred or aggravated during active military service. The disability compensation benefit amount is graduated according to the degree of a veteran's disability on a scale from 10 to 100 percent (in increments of 10). VA disability compensation benefits are *not* based on need.

2. Surviving Spouse Dependency Indemnity Compensation (DIC)

The VA provides monthly surviving spouses and surviving children of veterans who died during military service or after discharge from military service as a result of a service-connected disability. Surviving spouse DIC payments are *not* based on need.

3. Surviving Child DIC

The VA provides monthly surviving child DIC payments to independent surviving children of veterans who died during military service or after discharge from military service as a result of a service-connected disability. Independent surviving child means one who is no longer in the custody of the surviving spouse of the deceased veteran who receives VA benefits on his/her own award. To be eligible, a child must be under age 18 or under age 23 if attending a VA-approved school or determined permanently incapable of self-support because of a disability before age 18. Surviving child DIC payments are *not* based on need.

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VA COMPENSATION PAYMENTS (Continued)

4. Parents' DIC

The VA provides a needs-based monthly benefit to surviving parent(s) of a deceased veteran whose death was service-connected. A surviving parent can be single, married to the deceased veteran's other surviving parent, or remarried to the deceased veteran's step-parent. To be eligible, the VA must determine the surviving parent(s) financially dependent on the deceased veteran. Parents' DIC payments *are income based on need*.

5. Unreimbursed Medical Expenses (UME) Included in Compensation Payments

For needs-based compensation (Parents' DIC), VA may deduct unreimbursed medical expenses from any countable income. The VA considers expenses, which exceed 5% of the maximum annual VA pension payment, as UME. This computation may result in an increase in a compensation payment or in an extra payment. An increase or extra payment resulting from VA's consideration of UME is not income and is excluded from the total VA payment when determining eligibility and Medicaid Income (if applicable). UME is not countable as income for institutionalized individuals eligible under an Income Trust.

Unspent VA payments resulting from UME are resources if retained into the month following the month of receipt.

6. Special Monthly Compensation (SMC)

Veterans with certain specific, very severe disabilities can receive a higher monthly compensation rate that is above the 100% disability rating. The VA calls this payment Special Monthly Compensation (SMC) and it is paid for the veteran's need of daily aid and attendance or regular health services. SMC is not income and is excluded from the total VA payment when determining eligibility and Medicaid Income (if applicable).

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The VA will take dependents' needs into account when determining compensation for the veteran or surviving spouse compensation payments, resulting in increased allowances for dependents. An increase in a payment for dependent(s) is an augmented payment. A payment made directly to the dependent(s) is an apportioned payment. There is no increased allowance for dependents for surviving child and parents' DIC payments.