

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

200.07.09E VA BENEFITS AND INSTITUTIONAL RULES

1. Reduction in VA Pension for Veterans and Surviving Spouses in Nursing Facilities

Medicaid eligible veterans in nursing facilities without a dependent spouse or child and Medicaid eligible surviving spouses without a dependent child are subject to a maximum VA pension that can be paid of \$90. The maximum payment is \$90 but the payment can be less. The reduced pension is considered Aid and Attendance and is not countable as income for eligibility or Medicaid Income, which includes recipients eligible under an Income Trust.

Federal law prohibits counting the reduced pension toward the veterans' cost of care (Medicaid Income). The Personal Needs Allowance (PNA) for all recipients receiving a reduced pension is equal to the pension payment received, usually \$90.

If a veteran or surviving spouse is receiving a VA pension payment upon admission to a nursing facility, refer the individual to the VA to determine if their pension is subject to the \$90 maximum. Set appropriate ticklers to check with the VA to determine the case action needed.

For individuals who do not receive a VA pension upon admission to a nursing facility but who may be eligible for the reduced pension due to wartime service, there is no requirement to apply for the benefit but it will result in the individual having a higher Personal Needs Allowance if they file for it. Make a referral to file for the reduced pension as appropriate but do not require it under the Utilization of Other Benefits provision since it will not result in a benefit that will count.

2. IS/CS Cases with UME and/or A&A

If the institutional client (IS) receives non-countable income from UME or A&A, the community spouse (CS) will be allowed to receive the IS' payment attributable to UME or A&A in addition to the CS allocation amount computed in the Medicaid Income computation.

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VA BENEFITS AND INSTITUTIONAL RULES (Continued)

If the CS is not entitled to Medicaid, the extra income will have no impact. However, if the CS is Medicaid-eligible at home, the income that represents the UME (or A&A) payable to the IS is income to the CS. UME (and A&A) is disregarded as income only to the one entitled to the payment. When it becomes income available to the CS, it is income to the CS. If the income is given to anyone else, the possibility of a transfer of resources exists.

If the CS does not receive the income attributed to UME (or A&A), the possibility of excess resources building up for the IS exists. In this case, resources must be monitored closely.

3. VA Contract Patients in Nursing Facilities

Certain veterans qualify for VA contract payments which cover nursing home care for one to six months. The contract period begins with the date of the nursing home placement and covers the date of admission, but not the date the contract expires. For example, if a veteran is placed in a nursing facility under VA contract effective January 12, the contract will expire July 15 and VA will not reimburse the facility for the day of July 15.

It is possible for a service-connected veteran to be under VA contract in a nursing facility for an indefinite length of time. These individuals are not subject to the six-month limit for a VA contract as are nonservice-connected veterans.

Eligibility for Medicaid benefits other than nursing home reimbursement can begin prior to the date a VA contract expires, depending on the date the application is filed and provided the individual is eligible on all other factors. Reimbursement cannot begin until the date the VA contract expires.

Do not count VA money paid to the nursing home as income to the Medicaid applicant. Although a VA contract payment is a third party medical payment, it is not a payment subject to recovery by Medicaid. The veteran's ongoing VA benefits may be reduced during the VA contract period and returned to the full amount following expiration of the contract. When verifying VA income for eligibility purposes during a VA contract period, determine if reduced benefits are involved and determine when full benefits will resume. Benefits are usually raised in the month following the month the contract ends.