

INCOME VERIFICATION (IV) PROGRAM

- 1. REASON FOR ISSUE.** This Veterans Health Administration (VHA) Handbook provides policy for the Income Verification (IV) Program.
- 2. SUMMARY OF MAJOR CHANGES.** This VHA Directive is revised to incorporate:
 - a. Title 5 United States Code (U.S.C.) 552a, 26 U.S.C. 6103 (l)(7) of the Internal Revenue Code, and 38 U.S.C. 5317, as the established authority for VHA verifying veterans' gross household income information against records maintained by the Internal Revenue Service (IRS) and Social Security Administration (SSA) when that information indicates the veteran is eligible for cost-free Department of Veterans Affairs (VA) health care.
 - b. The recoupage of lost co-payments through the first-party billing process.
- 3. RELATED ISSUES.** None.
- 4. RESPONSIBLE OFFICE.** The Office of the Chief Business Officer (16) is responsible for this Directive. Questions may be directed to (404) 828-5300.
- 5. RESCISSIONS.** VHA Directive 1909, dated February 23, 2003, is rescinded.
- 6. RECERTIFICATION.** This VHA Directive is scheduled for recertification on or before the last working day of June 2013.

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INCOME VERIFICATION (IV) PROGRAM

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides policy for the Income Verification (IV) Program.

2. BACKGROUND

a. Title 38 United States Code (U.S.C.) 1722 established eligibility assessment procedures, based on income levels, for determining whether non-service connected (NSC) veterans and non-compensable zero percent service connected (SC) veterans who have no other special eligibility are eligible to receive Department of Veterans Affairs (VA) health care at no cost. Title 5 United States Code (U.S.C.) 552a, 26 U.S.C. 6103 (l)(7) of the Internal Revenue Code, and 38 U.S.C. 5317 establish authority for VHA to verify veterans' gross household income information against records maintained by the Internal Revenue Service (IRS) and Social Security Administration (SSA) when that information indicates the veteran is eligible for cost-free VA health care.

b. The Health Eligibility Center (HEC) administers VHA's IV Program through computer matching of veterans' gross household income information with Federal Tax Information (FTI) from IRS and SSA. The IV Program provides VHA with the mechanism to ensure the integrity of veterans' income-based eligibility assignments for VA health care, and the recoupment of lost co-payments through the first-party billing process.

c. The IV Program adheres to stringent guidelines set forth by IRS and SSA to ensure appropriate security and safeguarding of FTI. Due to these rigorous information security requirements, the IV Program is centralized to and performed at HEC in Atlanta, Georgia.

d. HEC verifies all Social Security Numbers (SSNs) prior to any income matching activity. The SSNs of all veterans and their dependents identified in the financial assessment will be verified through computer matching activity with SSA. If IRS and SSA income matching identifies discrepancies in the veteran's self-reported gross household income information that potentially impact eligibility for VA health care benefits, HEC must independently verify the IRS and SSA income data. If the veteran's eligibility for VA health care benefits is changed as a result of the income verification process, HEC will transmit the updated eligibility information to those facilities that provided health services to the veteran during the applicable income-reporting period.

3. POLICY: It is VHA policy that HEC is responsible for the IV Program, i.e., verifying NSC and non-compensable zero percent SC veterans' gross household income through computer matching activity with IRS and SSA.

4. RESPONSIBILITIES: The HEC is responsible for:

a. **Data Collection for Income Verification.** When a veteran completes an initial application for care or updated financial assessment, it is automatically transmitted to HEC along with information used to identify the veteran, spouse and any other dependents. HEC will request IRS and SSA FTI only after:

(1) Indication that the veterans' self-reported gross household income is below the established VA national income threshold

(2) The veterans' and spouses' SSNs have been verified by SSA.

b. **Signed Means Tests.** Periodic reviews will be conducted by HEC to ensure compliance with the signed/dated means test requirement. Financial assessments are reviewed for the presence of a dated signature by the veteran or an appropriate representative when proper authorization is present, such as a power of attorney or documentation of legal guardianship. A mark by the veteran, co-signed by two witnesses, is also accepted.

c. **SSN Validation.** To verify veterans' and their spouses' SSNs, HEC must:

(1) Submit personal identifiers (name, date of birth, SSN, and gender) to SSA for verification.

(2) Contact the veteran and/or spouse, in writing, to obtain correct information if SSA cannot verify their SSNs.

d. **Verification Process.** HEC's Income Verification Division sends veterans and their spouse's individual letters to confirm income information reported by IRS and SSA. HEC does not change the veteran's copay status until information supplied by IRS and SSA has been independently verified either by the veteran, employer, a financial institution, or through appropriate due process procedures.

e. **IV Conversion from Copay Exempt to Copay Required.** If the verified financial assessment results in a change to the veteran's eligibility for VA health care benefits, a conversion indicator reflecting that the veteran's status has been changed to "Means Test Copay Required" or "Geographic Means Test Copay Required" is electronically transmitted to the VA health care facility(ies) involved in the veteran's care. VA facilities should not edit or attempt to edit an IV converted means test.

f. **Billing, Reporting and Notification**

(1) **Health Care Facility Staff.** The health care facility staff where the veteran received care is responsible for billing converted cases within 60 days of notification from HEC. Facilities have a report module that allows staff to review billing status to ensure compliance with the 60-day deadline. Subsequently, HEC prepares summary management reports regarding billing and collection activities resulting from the IV Program.

(2) **Veterans Integrated Service Network (VISN) and Facility Directors.** VISN and Facility Directors must establish performance standards and quality monitors to actively ensure that sites initiate billing activity for all HEC referrals within 60 days of receipt. To ensure that 80 percent of all cases converted as a result of the IV program are processed for billing within 60 days, performance standards for program officials responsible for managing first-party billing activities must be monitored by VISN and facility Directors.

g. **Security.** The IV Program must adhere to stringent confidentiality guidelines set forth by IRS and SSA to ensure appropriate security and safeguarding of FTI. Information received from the income match activity can not be shared with facilities. Any breach of security requirements may result in loss of VHA's matching agreements with IRS and SSA. Veteran requests for release of IV financial assessments and related information must be forwarded to HEC for processing.

h. **Release of Information.** Health care facility staff may respond to general inquiries about the IV process. Requests for information specific to veterans' income verification activity cannot be discussed or shared; therefore, the veteran must be referred to HEC's toll-free telephone number, 1-800-929-8387 (VETS) for response. Inquiries from VA health care facility staff may be referred to (404) 828-5257.

5. REFERENCES

- a. Title 38 U.S.C. 1503.
- b. Title 38 U.S.C. 1722.
- c. Title 38 U.S.C. 5317.
- d. Title 5 U.S.C. 552a.
- e. Title 26 U.S.C. 6103 (1)(7).