

November 19, 2001

**INTERIM PROCEDURES FOR PROCESSING MEANS TEST
CLAIMS IN A PENDING ADJUDICATION STATUS**

1. PURPOSE: This Veterans Health Administration (VHA) Directive outlines interim Departmental policy and procedures for processing Means Test Claims in a pending net worth determination status.

2. BACKGROUND

a. Title 38 United States Code (U.S.C.) Sections 1710(f) and (g) authorize the Department of Veterans Affairs (VA) to provide hospital care and medical services to certain non-compensable zero percent service-connected and nonservice-connected veterans, but only if they agree to pay a copayment. These veterans must complete a financial test referred to as a "Means Test." If a veteran's income is below the means test threshold, the law requires that VA consider their corpus of estate (net worth) to determine if the veteran is financially able to pay a copayment for care. When VHA first implemented means testing in 1986, it adopted the Veterans Benefits Administration (VBA) net worth threshold to evaluate a veteran's corpus of estate.

b. Currently, veterans whose household income is below the means test threshold, but whose income and net worth is \$50,000 or greater, are required to pay a copayment. Their means test is then referred to VBA for a net worth determination. If VBA renders a determination that the veteran's net worth does not subject the veteran to copayments, the means test is updated in VHA's Veterans Information Systems and Technology Architecture (VistA) and the veteran's eligibility is updated and changed to a means test copayment exempt status.

c. On October 9, 2001, VBA issued a change to its policy manual, M-21, Part IV, increasing the estate threshold amount from \$50,000 to \$80,000. This change has resulted in cases referred by VHA to VBA for a net worth determination being returned to the referring facility without action.

3. POLICY

a. Medical Centers will discontinue referring cases to VBA for net worth determinations for any case where the veteran's annual household income and net worth are greater than \$50,000, but less than \$80,000.

b. Any cases requiring a net worth determination will be processed in VistA as outlined under paragraph 4 of this directive.

c. A patch will be released on or before January 1, 2002, to update the annual means test thresholds in VistA and the Health Eligibility Center database. The patch will also increase the estate net worth threshold from \$50,000 to \$80,000.

THIS VHA DIRECTIVE EXPIRES NOVEMBER 19, 2006

VHA Directive 2001-068
November 19, 2001

d. Until the patch is released and installed at each VA health care facility, staff responsible for processing means tests must follow the procedures outlined in paragraph 4.

e. Copayment bills generated for a net worth determination requested on or after October 9, 2001, are to be cancelled and any payments made refunded back to the veteran when the veteran's income and net worth is less than \$80,000.

4. ACTION: When a veteran's means test indicates that his or her annual household income and net worth is greater than \$50,000, but less than \$80,000, the following procedures must be followed.

a. Users will access the means test menu option and complete a means test, entering "Yes" at the prompt "Do you wish to send this case to adjudication?"

b. Users will then access the Adjudicate a Means Test option and at the "Status" prompt, enter "Category A Means Test." In the "Comment" field, users will enter "Veteran's income and net worth are below the \$80,000 estate threshold level."

c. The signed and dated means test will be filed in the administrative portion of the veteran's Consolidated Health Record (CHR).

5. REFERENCES: None.

6. FOLLOW-UP RESPONSIBILITY: The Director, Health Administration Services (HAS), is responsible for the content of this Directive. Questions may be addressed to the HAS Policy and Operation Section at 202-273-8303.

7. RESCISSION: None. This VHA Directives expires November 19, 2006.

Thomas L. Garthwaite, M.D.
Under Secretary for Health

DISTRIBUTION: CO: E-mailed 11/20/01
FLD: VISN, MA, DO, OC, OCRO, and 200 – E-mailed 11/20/01