

December 20, 2011

**MEANS TEST AND GEOGRAPHIC-BASED MEANS TEST THRESHOLDS FOR
CALENDAR YEAR 2012**

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides the Means Test (MT) Thresholds, the Medicare Deductible and Child Income Exclusion amounts, the Income and/or Asset Threshold for Net Worth Development, the Maximum Annual Rates of Pension, and the method for computing Geographic-based Means Test (GMT) income thresholds for calendar year 2012. In addition, this Directive provides an Internet link to the United States (U.S.) Housing and Urban Development's (HUD) income limits for Fiscal Year (FY) 2011 for use by VHA in calendar year 2012. *NOTE: These amounts, rates, and the method become effective January 1, 2012.* This Internet link is at:
<http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>.

2. BACKGROUND

a. Title 38 United States Code (U.S.C.) 1722(c) requires that on January 1 of each year, the Secretary of Veterans Affairs increase the means test threshold amounts by the same percentage as the maximum annual rates of pension were increased under 38 U.S.C. 5312(a) during the preceding calendar year. Under the provisions of 38 U.S.C. 5312, the Department of Veterans Affairs (VA) is required to increase the benefit rates and income limitations in the pension and parents' Dependency and Indemnity Compensation (DIC) Program by the same percentage and effective date as increases in the benefit amounts payable under title II of the Social Security Act.

b. Since the Veterans Benefits Administration (VBA) has announced that there will be a 3.6 percent increase in VA pension for 2012, there will be an increase in the VA Means Test thresholds for Calendar Year 2012.

c. Public Law 107-135, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001, directed VA to implement a GMT (see 38 U.S.C. 1705(a)(7)). VA uses HUD's "low-income" geographic-based income limits as the thresholds for VA's GMT. *NOTE: The Health Eligibility Center (HEC) controls the GMT for VA and ensures updates are installed before January 1, 2012. The "low income" geographic-based income thresholds used for Calendar Year 2011 (listed as 2011 VA National Geographic Threshold Table) are located at: <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>.*

d. On May 15, 2009, VA published a rule in the Federal Register (FR), which established additional sub-priorities within enrollment priority category 8. This rule became effective on June 15, 2009, and required VA to begin enrolling Veterans into priority category 8 whose income exceeded VA's national or geographically-based income thresholds by 10 percent or less.

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e. Definitions

(1) **Below Means Test (MT) Threshold.** Veterans whose household income amount is at or less than the applicable amount shown in subparagraph 4b, are generally eligible for enrollment in Priority Group 5.

(2) **Above Means Test Threshold.** Veterans whose household income amount is at, or above, the applicable amount shown in subparagraph 4b, are not eligible for enrollment in Priority Group 5.

(3) **GMT Income Threshold.** “GMT income threshold” refers to the household income amount that is below the geographically-based income threshold for the Veteran’s resident location. Veterans with a household income of this amount or less are generally eligible for enrollment in Priority Group 7.

(4) **Income Above Means Test or GMT Threshold By 10 Percent or Less.** Veterans with household income above the Below Means Test Threshold or the GMT income threshold for their resident location by 10 percent or less are eligible for enrollment in priority group 8.

NOTE: The GMT thresholds can be located at:

<http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>.

3. POLICY: It is VHA policy that all VA health care facilities must install patches DG*5.3*848, EAS*1.0*104 and IB*2.0*465 before January 1, 2012, in order to implement the current MT thresholds.

4. ACTION

a. **Medical Facility Director.** Before January 1, 2012, each medical facility Director, or designee, is responsible for installing patches DG*5.3*848, EAS*1.0*104 and IB*2.0*465.

b. **VA Means Test Thresholds.** The following VA MT Thresholds are effective January 1, 2012 through December 31, 2012:

(1) **Veterans with No Dependents**

(a) Below MT Threshold: \$30,460.

(b) Above MT Threshold; \$30,461.

(c) Above MT Threshold by 10 Percent or Less: \$33,507.

(d) Above MT Threshold by more than 10 Percent: \$33,508.

(e) Above GMT Threshold by more or less than 10 Percent: Calculate using GMT Threshold at GMT Web site (see <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>).

(2) Veterans with One Dependent

(a) Below MT Threshold: \$36,554.

(b) Above MT Threshold: \$36,555.

(c) Above MT Threshold by 10 Percent or Less: \$40,210.

(d) Above MT Threshold by more than 10 Percent: \$40,211.

(e) Above GMT Threshold by more or less than 10 Percent: Calculate using GMT Threshold at GMT Web site (see <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>).

(3) Veterans with Two Dependents

(a) Below MT Threshold: \$38,647.

(b) Above MT Threshold: \$38,648.

(c) Above MT Threshold by 10 Percent or Less: \$42,512.

(d) Above MT Threshold by more than 10 Percent: \$42,513.

(e) Above GMT Threshold by more or less than 10 Percent: Calculate using GMT Threshold at GMT Web site (see <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>).

(4) Veterans with Three Dependents

(a) Below MT Threshold: \$40,740.

(b) Above MT Threshold: \$40,741.

(c) Above MT Threshold by 10 Percent or Less: \$44,814.

(d) Above MT Threshold by more than 10 Percent: \$44,815.

(e) Above GMT Threshold by more or less than 10 Percent: Calculate using GMT Threshold at GMT Web site (see <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>).

(5) Veterans with Four Dependents

(a) Below MT Threshold: \$42,833.

(b) Above MT Threshold: \$42,834.

(c) Above MT Threshold by 10 Percent or Less: \$47,117.

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(d) Above MT Threshold by more than 10 Percent: \$47,118.

(e) Above GMT Threshold by more or less than 10 Percent: Calculate using GMT Threshold at GMT Web site (see <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>).

(6) Veterans with Five Dependents

(a) Below MT Threshold: \$44,926.

(b) Above MT Threshold: \$44,927.

(c) Above MT Threshold by 10 Percent or Less: \$49,419.

(d) Above MT Threshold by more than 10 Percent: \$49,420.

(e) Above GMT Threshold by more or less than 10 Percent: Calculate using GMT Threshold at GMT Web site (see <http://www4.va.gov/healtheligibility/Library/AnnualThresholds.asp>).

c. **Dependent Threshold Amount Increase (above two dependents).** \$2,093.

d. **Child Income Exclusion.** \$9,750.

e. **Medicare Deductible.** \$1,156. This is used to compute the hospital care co-payment.

f. **Income and/or Asset Threshold for Net Worth Development.** \$80,000. *NOTE: Net Worth is only used for determining whether a Veteran is eligible for enrollment in Priority Group 5 and does not apply to determining enrollment in priority group 7.*

g. **Maximum Annual Rate of Pension**

(1) The maximum annual rate of pension for a Veteran with no dependents is \$12,256. *NOTE: The maximum annual rate of pension for a Veteran with no dependents is used to determine if certain Veterans are subject to co-payments for Extended Care Services.*

(2) The maximum annual rate of pension for a Veteran with one dependent is \$16,051.

(3) Add \$2,093 for each additional dependent.

h. **Maximum Annual Rate of Pension: Pension Plus Aid and Attendance (A&A) Rate.**

The maximum annual rate of pension for a Veteran with no dependents plus additional allowances for Veterans with eligible dependents and who receive A&A is used to determine if certain Veterans are exempt from co-payments for outpatient medication and to establish eligibility for beneficiary travel.

(1) The maximum annual rate of pension for a Veteran in receipt of A&A, with no dependents, is \$20,447.

(2) The maximum annual rate of pension for a Veteran in receipt of A&A with one dependent is \$24,239.

(3) Add \$2,093 for each additional dependent.

i. **Maximum Annual Rate of Pension: Pension Plus Housebound Benefits (HB) Rate.**

The maximum annual rate of pension for a Veteran with no dependents plus additional allowances for Veterans with eligible dependents and who receive HB is used to determine if certain Veterans are exempt from co-payments for outpatient medication and to establish eligibility for beneficiary travel.

(1) The maximum annual rate of pension for a Veteran in receipt of HB with no dependents is \$14,978.

(2) The maximum annual rate of pension for a Veteran in receipt of HB with one dependent is \$18,773.

(3) Add \$2,093 for each additional dependent.

5. REFERENCES

a. Title 38 U.S.C. 1705(a) (7), 1710(f)(3), and 1722.

b. Title 38 Code of Federal Regulations (CFR) 3.272(j)(1), 17.36(b)(7), 17.36(b)(8), 17.47(d), and 17.47(f), 17.108(b), 17.110(c)(3), 17.111(f)(2), 70.10(a)(5), . Expansion of Enrollment in the VA Health Care System, 74 FR 22832.

6. FOLLOW-UP RESPONSIBILITY: The Chief Business Office (10NB) is responsible for the contents of this Directive. Questions may be addressed to 202-461-1598.

7. RESCISSIONS: VHA Directive 2010-056 is rescinded. This VHA Directive expires December 31, 2016.

Robert A. Petzel, M.D.
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DISTRIBUTION: E-mailed to the VHA Publication Distribution List 12/20/2011