

INCOME VERIFICATION (IV) PROGRAM

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

2. SUMMARY OF CHANGES: This VHA Directive is revised to incorporate:

a. A citation to statutory authority for the Internal Revenue Service and the Social Security Administration to provide VA with the Veteran's gross household income information, and VA's authority to request that information to verify eligibility for VA health care benefits for certain Veterans.

b. The removal of the requirement for Veterans to provide a signed means test.

c. Assignment of responsibility for billing and establishing associated performance measures to the Consolidated Patient Account Center (CPAC).

d. The recoupment of lost co-payments through the first-party billing process.

3. RELATED ISSUES: None.

4. RESPONSIBLE OFFICE: The Office of the Chief Business Officer (10NB) is responsible for content of this VHA Directive. Questions may be addressed to the Health Eligibility Center IV Program Office at 404-828-5700.

5. RESCISSIONS: VHA Directive 1909, dated June 04, 2008, is rescinded.

6. RECERTIFICATION: This VHA Directive is scheduled for recertification on or before the last working day of April, 2019.

Robert A. Petzel, M.D.
Under Secretary for Health

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INCOME VERIFICATION (IV) PROGRAM

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides policy for the Income Verification (IV) Program. **AUTHORITY:** 38 United States Code (U.S.C.) 1722; 38 U.S.C. 5317.

2. BACKGROUND:

a. Title 38 U.S.C. 1722 established eligibility assessment procedures, based on income levels, for determining whether nonservice-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 26 U.S.C. 6103 (1)(7) of the Internal Revenue Code, and 38 U.S.C. 5317 establish authority for VA 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 copays 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. The social security numbers (SSNs) of all Veterans and their spouses identified in the financial assessment will be verified under the Social Security Number Verification Information Exchange Agreement (IEA), between the SSA and VHA HEC, prior to income matching activity with IRS. If IRS and SSA income matching identifies discrepancies in the Veteran's self-reported gross household income information that potentially impacts 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 VA 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 after:

(1) Indication that the Veterans' self-reported gross household income is below the established VA National Income Threshold.

(2) The Veterans', spouses', and dependents' SSNs have been verified by SSA.

(3) Annually after submission of application for care.

b. **SSN Validation.** To verify Veterans' and their spouses' and dependents' SSNs, HEC must:

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

(2) Contact the Veteran and/or spouse, in writing, to obtain correct information if SSA cannot verify their SSNs or that of dependent children.

c. **Verification Process.** HEC's Income Verification Division sends Veterans, spouses, and dependent children 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.

d. **IV Conversion from Copay Exempt to Copay Required, or from Copay Required to Copay Exempt.** 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," "Geographic Means Test Copay Required" or "MT Copay Exempt" is electronically transmitted to the VA medical facility(ies) involved in the Veteran's care. VA medical facilities should not edit or attempt to edit an IV converted means test.

e. **Billing, Reporting and Notification.**

(1) **Consolidated Patient Account Center (CPAC).** The CPAC is responsible for billing first party charges to converted cases within 60 days of notification from HEC or refunding the amount of any copay actually paid by that individual in the case where the Veteran was converted to MT Copay Exempt. CPACs have a report module that allows staff to review first party billing status to ensure compliance with the 60-day deadline. Subsequently, HEC prepares summary management reports regarding first-party billing and collection activities resulting from the IV Program.

(2) **CPAC Directors.** CPAC Directors must establish performance standards and quality monitors to actively ensure that sites initiate first-party 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 first-party billing within 60 days, performance standards for program officials responsible for managing first-party billing activities must be monitored by CPAC Directors.

f. **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 cannot be shared with VA medical 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.

g. **Release of Information.** VA medical 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 medical 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 (l)(7).