

APPLICATIONS AND COPAYMENTS FOR EXTENDED CARE SERVICES

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Handbook defines the Department of Veterans Affairs (VA) policy for charging copayments for extended care services.
- 2. SUMMARY OF MAJOR CHANGES:** None.
- 3. RELATED DIRECTIVES:** None.
- 4. RESPONSIBLE OFFICE:** The VHA Chief Business Office (10NB) is responsible for the contents of this Handbook. Questions may be referred to the Chief Business Office at 202-382-2500.
- 5. RESCISSIONS:** VHA Directive 2008-076, dated November 5, 2008, is rescinded.
- 6. RECERTIFICATION:** This VHA Handbook is scheduled for recertification on or before the last working day of November 2020.

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APPLICATIONS AND COPAYMENTS FOR EXTENDED CARE SERVICES

1. PURPOSE

This Veterans Health Administration (VHA) handbook defines the Department of Veterans Affairs (VA) policy for charging copayments for extended care services.

AUTHORITY: 38 U.S.C. 1710 B, 7301(b).

2. BACKGROUND

a. Public Law 106-117, the Veterans Millennium Health Care and Benefits Act, gave the Secretary of Veterans Affairs the authority to establish extended care copayment amounts and a maximum monthly copayment cap.

b. Title 38 Code of Federal Regulation (CFR), Section 17.111, states, in part, that “[u]nless exempted . . . , as a condition of receiving extended care services from VA, a veteran must agree to pay VA a copayment.” Section 17.111 further states “[a] veteran has no obligation to pay a copayment for the first 21 days of extended care services that VA provided the veteran in any 12-month period (the 12-month period begins on the date that VA first provided extended care services to the veteran).” These copayments also apply to extended care provided to Veterans through community resources that are paid for by VA through contractual arrangements. **NOTE:** Since care provided by State Veteran Homes is not provided by VA; it is not subject to these copayments.

3. SCOPE

This Handbook provides guidance for processing applications for extended care services at VA medical facilities.

4. DEFINITIONS

a. **Adult Day Health Care.** Adult day health care is a therapeutic outpatient care program that provides medical services, rehabilitation, therapeutic activities, socialization, nutrition and transportation services to disabled Veterans in a congregate setting.

b. **Domiciliary Care.** Domiciliary care means the furnishing of a home to a Veteran, embracing the furnishing of shelter, food, clothing and other comforts of home, including necessary medical services. The term further includes travel and incidental expenses pursuant to 38 CFR 70.10.

c. **Extended Care Services.** Extended care services means adult day health care, domiciliary care, institutional geriatric evaluation, noninstitutional geriatric evaluation, nursing home care, institutional respite care, and noninstitutional respite care. **NOTE:** *Includes other noninstitutional alternative to nursing home care VA may furnish as medical services, such as home health care. While domiciliary care programs are defined as extended care services, for the purposes of long term care eligibility and copay determination, administrative and clinical oversight are the responsibility of Mental Health Services, with workload assigned to Mental Health.*

d. **Fixed Assets.** Fixed assets means real property and other non-liquid assets with certain exceptions. See Appendix A for a list of items not included.

e. **Financial Assessment.** A financial assessment is the process known as a Means Test (MT) used by VA to assess a Veteran's attributable income and assets. The MT determines a Veteran's copayment responsibilities, assists in determining enrollment priority group assignment, and assists in evaluating requirements for determining beneficiary travel benefits.

f. **Geriatric Evaluation.** Geriatric evaluation (also referred to as comprehensive geriatric evaluation and identified as Healthcare Common Procedure Coding System (HCPCS) code S0250) is a specialized, diagnostic/consultative service provided by an interdisciplinary team that is for the purpose of providing comprehensive assessment, care plan, and extended care service recommendations.

g. **Health Eligibility Center.** The Health Eligibility Center (HEC) is VHA's authoritative source for the verification of a Veteran's eligibility for VA health care benefits, including enrollment determination, priority group assignment, and income verification.

h. **Home Health Care.** Home health care is provided as an extended care service under 38 U.S.C. 1710B and includes skilled home health care services and homemaker and home health aide services. VA copayment authority for home health care is under 38 CFR 17.108.

i. **Hospice Care.** Hospice care may be provided at home or in an inpatient setting. This service is exempt from VA copayment in any setting.

j. **Institutional.** Institutional (also referred to as facility-based) means a setting in a hospital, domiciliary, or nursing home of overnight stays of one or more days.

k. **Long-Term Care Copayment Exempt.** Long-term care (LTC) copayment exempt refers to categories of Veterans who are not required to make a copayment for extended care services due to the fact the service is for:

(1) A Veteran with a compensable service-connected disability;

(2) A Veteran whose annual income (determined under Title 38 United States Code (U.S.C.) Section 1503) is less than the amount in effect under 38 U.S.C. 1521(b).

NOTE: *The current pension threshold can be viewed at http://www.va.gov/healthbenefits/cost/income_thresholds.asp;*

(3) Care for a Veteran's non-compensable zero percent service-connected disability;

(4) An episode of extended care services that began on or before November 30, 1999;

(5) Care authorized under 38 U.S.C. 1710(e) for Vietnam-era herbicide-exposed Veterans, radiation-exposed Veterans, Persian Gulf War Veterans, or post-Persian Gulf

War combat-exposed Veterans, or for Camp Lejeune Veterans (for care provided on or after August 6, 2012, for the illnesses and conditions specified at 38 CFR 17.400(d)(1));

(6) Care for treatment of sexual trauma as authorized under 38 U.S.C. 1720D;

(7) Care or services authorized under 38 U.S.C. 1720E for certain Veterans regarding cancer of the head or neck;

(8) A Veteran who VA determines to be catastrophically disabled, as defined in 38 CFR 17.36(e) is exempt from copayments for adult day health care, non-institutional respite care, and non-institutional geriatric care; and

(9) A veteran receiving care for psychosis or a mental illness other than psychosis pursuant to 38 CFR 17.109.

l. **Non-institutional.** Non-institutional means a service that does not include an overnight stay.

m. **Nursing Home Care.** Nursing home care means the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require nursing care and related medical services, if such nursing care and medical services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such care (nursing services must be provided 24 hours a day). Such care includes services furnished in skilled nursing care facilities. This term excludes hospice care.

n. **Respite Care.** Respite care means care which is of limited duration, is furnished on an intermittent basis to a Veteran who is suffering from a chronic illness and who resides primarily at home, and is furnished for the purpose of helping the Veteran to continue residing primarily at home. (Respite providers temporarily replace the caregivers to provide services ranging from supervision to skilled care needs).

o. **Spousal Resource Protection Amount.** Spousal resource protection amount means the value of liquid assets equal to the Maximum Community Spouse Resource Standard published annually by the Centers for Medicare and Medicaid Services (CMS) as of January 1 of the current calendar year if the spouse is residing in the community (not institutionalized). **NOTE:** *The current maximum community spouse resource standard can be viewed at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Eligibility/Eligibility.html>.*

p. **VA Form 10-10EC.** VA Form 10-10EC, Application for Extended Care Services is the VA form completed by Veterans to apply for VA extended care benefits. The form includes demographic, military, insurance, and financial information. This form is available on the VA Forms Web site at <http://www.va.gov/vaforms/>.

q. **VA Form 10-10EZ.** VA Form 10-10EZ, Application for Health Benefits is the VA form completed by Veterans to apply for VA health care benefits. The form includes

demographic, military, insurance, and financial information. This form is available on the VA Forms Web site at <http://www.va.gov/vaforms/>.

r. **VA Form 10-10EZR.** VA Form 10-10EZR, Health Benefits Update Form is the VA form used by Veterans to submit their updated personal, insurance, and financial information to VA. This form is available on the VA Forms Web site at <http://www.va.gov/vaforms/>.

5. REFERRALS FOR EXTENDED CARE SERVICES

a. Once a determination is made by VA staff that a Veteran requires extended care services, a referral is sent to the VA medical facility's social work (SW) or appropriate staff.

b. Factors to be considered in the extended care placement and case management of the Veteran include:

(1) State and local requirements of extended care services available in the community; and

(2) Extended care services available in VA which include the following:

(a) Geriatric evaluation;

(b) Nursing home care in facilities operated by VA, and in community-based facilities through contracts under 38 U.S.C. 1720;

(c) Adult day health care under 38 U.S.C. 1720(f);

(d) Other non-institutional alternatives to nursing home care as VA may furnish as medical services under 38 U.S.C. 1701(6)(E);

(e) Respite care under 38 U.S.C. 1720B; and

(f) Domiciliary care under 38 U.S.C. 1710(b). Although domiciliary care is included in the definition of extended care services, the referral processes are different than those for other extended care services. Referrals for domiciliary services require completion of the VA Form 10-10EC, Application for Extended Care Services. **NOTE:** For information on the Mental Health Residential Rehabilitation Treatment Program (MH RRTP), see the MH RRTP SharePoint at: <https://vaww.portal.va.gov/sites/OMHS/mhrrtp/default.aspx>. This is an internal VA Web site and is not available to the public.

6. LONG TERM CARE (LTC) COPAYMENT EXEMPTION DETERMINATION

All Veterans requesting extended care services must have a Long Term Care (LTC) Copayment Test entered into the Veterans Information Systems and Technology Architecture (VistA) system to establish the exemption status for copayments for extended care services. Social Workers or other appropriate staff will:

a. Access the LTC Copayment Test option in VistA and add a new test for the Veteran by entering identifying information such as the Veteran's name or initial and the Veteran's last four of the Social Security Number (SSN).

b. Review the LTC Copayment Test status results to determine whether the Veteran is exempt or non-exempt from the copayment requirement for extended care services.

(1) **Exempt Status.** An exempt status means the Veteran is not subject to the copayment requirement as determined by the system based on the Veteran's eligibility or income data on file; however, staff must manually enter an exemption applying the appropriate reason if the Veteran will receive care exempt from copayment under 38 CFR 17.111.

(2) **Non-Exempt Status.** A non-exempt status means the Veteran is subject to the copayment requirement based on eligibility or income on file and needs to complete VA Form 10-10EC. SW or appropriate staff will notify the social worker or case manager involved in placement of the Veteran's LTC Copayment Test exemption status. ***NOTE:*** *This information will assist in determining the most appropriate extended care services options available to the Veteran. Certain Veterans will need to provide income data for the previous calendar year.*

a. Certain categories of Veterans, such as Purple Hearts or Prisoners of War (POWs), are not subject to the full financial assessment requirement for VA health care enrollment or copayments for other services and will not have financial assessment income on file. If the VistA system indicates that income is needed for the copayment exemption determination, the Veteran will be required to provide income information for the previous calendar year (see Paragraph 7).

7. FINANCIAL INCOME REQUIREMENT

All non-exempt Veterans applying for extended care services must complete VA Form 10-10EC, Application for Extended Care Services, to determine the calculated monthly extended care copayment obligation based on available resources.

a. SW or other appropriate staff must send the Veteran or family representative to the Health Administration Service, Business Office or the Enrollment Coordinator to complete and sign the financial section of VA Form 10-10EZ or VA Form 10-10EZR; and

b. Registration staff will access the LTC Copayment Test option in VistA and add the Veteran's income information for the previous calendar year, and notify appropriate staff of the exemption status. ***NOTE:*** *This income data is not saved as a financial assessment in VistA or at the HEC.*

8. APPLICATION FOR EXTENDED CARE SERVICES

All non-exempt Veterans applying for extended care services must complete VA Form 10-10EC, Application for Extended Care Services, to determine the calculated monthly extended care copayment obligation based on available resources.

a. SW or other appropriate staff must contact the Veteran or family representative and explain the requirement for completion of VA Form 10-10EC and provide guidance on gathering the necessary information.

b. VA Form 10-10EC must be completed during the following times:

(1) At the time of initial request for an episode of extended care services;

(2) At the time of request for extended care services after a break in provision of extended care services for more than 30 days;

(3) Annually for a Veteran required to make copayments for extended care services and still in receipt of these services.

c. Additional information may be required when changes might affect the copayment obligation (i.e., changes regarding marital status, fixed assets, liquid assets, expenses, income (when received), or whether the Veteran has a spouse or dependents residing in the community). **NOTE:** *The Veteran must report those changes to a VA medical facility within 10 calendar days of the change.*

d. SW or other appropriate staff will send a completed VA Form 10-10EC, received from the Veteran or authorized representative, to the Registration staff.

e. Registration staff will perform the following actions:

(1) Access the Registration Menu option in VistA to review the Veteran's registration data stored in VistA to ensure it is current with the demographic information from VA Form 10-10EC and update as appropriate.

(2) Access the LTC Copayment Test option in VistA to enter the Veteran's information from VA Form 10-10EC.

(3) Print the following two documents from VistA and forward to SW staff:

(a) Electronic version of VA Form 10-10EC; and

(b) Calculated LTC Copayment Report.

9. NON-DISCLOSURE OF FINANCIAL INFORMATION

The Veteran or authorized representative may not wish to provide detailed financial information on VA Form 10-10EC. Non-exempt Veterans who do not agree to pay the applicable VA copayments are considered ineligible to receive extended care services.

If a non-exempt Veteran agrees to pay the copayment but will not provide detailed financial information on VA Form 10-10EC, SW or other appropriate staff:

a. Must ensure the Veteran or authorized representative understands that the Veteran will be assessed the maximum copayment for extended care services received and that the Veteran must agree to pay the applicable VA copayment as required by law. The Veteran or authorized representative signs and dates the non-disclosure statement section on VA Form 10-10EC.

b. Will access the LTC Copayment Test option in VistA and add a new test to indicate the Veteran declines to give financial information but agrees to pay copayments. **NOTE:** *A Veteran who does not agree to pay the copayments will be shown as ineligible under the applicable test.*

c. Will forward the signed VA Form 10-10EC to medical records for filing.

10. COUNSELING AND PLACEMENT

During placement and case management, the LTC Copayment Test information will assist SW or other appropriate staff with determining the Veteran's calculated monthly copayment obligation and the most appropriate options available for extended care services. Staff:

a. Will review the printed documents (electronic version of VA Form 10-10EC and the Calculated LTC Copayment report) with the Veteran or authorized representative to provide counseling on the projected monthly copayments and the spend-down calculation of assets based on the available resources. See Appendix A.

b. Must offer the Veteran or authorized representative information regarding options and services which might be available within VA and the community for the Veteran's extended care needs.

c. Must ensure that the Veteran or authorized representative confirms all the information is correct on the printed VA Form 10-10EC and that the Veteran agrees to make the applicable copayment for extended care services as required by law. The Veteran or authorized representative signs and dates that statement section on the form.

d. Will forward the signed VA Form 10-10EC to medical records for filing.

11. COPAYMENTS FOR EXTENDED CARE SERVICES

As a condition of receiving extended care services provided by VA (either directly by VA or paid for by VA), non-exempt Veterans must agree to pay VA a copayment as defined in 38 CFR 17.111(b). The Veteran must pay the applicable copayment to the extent that the Veteran has available resources.

a. **First 21 Days.** The Veteran has no obligation to pay a copayment for the first 21 days of extended care services that VA provides in any 12-month period. The 12-month

period begins on the date that VA first provided extended care services to the Veteran. After the 21 days, the Veteran is obligated to pay the copayment amount to the extent the Veteran has available resources. **NOTE:** *The 12-month period is determined by the LTC Billing Clock in VistA.*

b. **Maximum Copayment Amount.** The maximum amount of a copayment for any month equals the copayment amount per day multiplied by the number of days in the month. VA will count each day that adult day health care, non-institutional geriatric evaluation, and non-institutional respite care are provided and will count each full day and partial day for each inpatient stay except for the day of discharge. **NOTE:** *The monthly copayment amount may be reduced or eliminated based on the Veteran's available resources.*

c. **Available Resources.** The available resources are determined from information submitted on VA Form 10-10EC (see Appendix A) and entered under the LTC Copayment Test option in VistA. If a Veteran is legally separated from a spouse, the available resources do not include the spouse's income, expenses, assets, or spousal allowance. VA medical facilities must apply the spousal resource protection amount, if applicable, during the completion of VA Form 10-10EC. Expenses are only included when the Veteran has a spouse or dependent residing in the community (not institutionalized). The available resources are based on monthly calculations and determined as follows:

(1) For extended care services for 180 days or less, the calculation is the sum of the income of the Veteran and the Veteran's spouse, minus the sum of the Veterans allowance, the spousal allowance, and expenses.

(2) For extended care services for 181 days or more, the calculation is the sum of the value of the liquid assets, the fixed assets, and the income of the Veteran and the Veteran's spouse, minus the sum of the Veterans allowance, the spousal allowance, the spousal resource protection amount, and (but only if the Veteran—has a spouse or dependents residing in the community who is not institutionalized) expenses.

d. **Institutional (Inpatient) Copayment Amount per Day.**

- (1) Nursing Home Care - \$97.
- (2) Institutional Geriatric Evaluation - \$97.
- (3) Institutional Respite Care - \$97.
- (4) Domiciliary Care - \$5.

e. **Non-Institutional (Outpatient) Copayment Amount per Day.**

- (1) Adult Day Health Care - \$15.
- (2) Non-Institutional Geriatric Evaluation - \$15.

(3) Non-Institutional Respite Care - \$15.

12. MONTHLY REVIEW OF LONG TERM CARE (LTC) COPAYMENT TESTS

The VistA Integrated Billing software utilizes VA Form 10-10EC information from the Enrollment software for the monthly LTC copayment calculations. It is important that SW staff perform a monthly review of LTC patients to identify all non-exempt Veterans or Veterans exempt due to low income who will continue to require extended care services and are in need a new LTC Copayment Test. SW or other appropriate staff:

a. Will access the Expiring or Expired LTC Copayment Tests option in VistA and generate a list of Veterans whose LTC Copayment Tests have expired since a user-specified date or are about to expire within a user-specified number of days (up to 60 days). **NOTE:** *These reports will exclude deceased Veterans, Veterans who are exempt due to a compensable service connected disability, and Veterans whose LTC episode began before 11/30/99.*

b. Will identify those Veterans who will continue to receive extended care services and access the LTC Copayment Test option in VistA to add a new test for each applicable Veteran according to the test anniversary date.

c. Will determine the LTC Copayment Test exemption status or manually enter an exemption, if applicable; and identify those non-exempt Veterans that need a new VA Form 10-10EC.

13. REFERENCES

- a. Public Law 106-117, Veterans Millennium Health Care and Benefits Act.
- b. Title 38 CFR 17.111, Copayments for extended care services.

DETERMINATION OF AVAILABLE RESOURCES

1. **Income.** Income means current income, stated in frequency of receipt, e.g., per week, per month, includes, but is not limited to:

- a. Wages and income from a business (minus business expenses);
- b. Bonuses;
- c. Tips;
- d. Severance pay;
- e. Accrued benefits;
- f. Cash gifts;
- g. Inheritance amounts;
- h. Interest income;
- i. Standard dividend income from non-tax deferred annuities;
- j. Retirement income;
- k. Pension income;
- l. Unemployment payments;
- m. Worker's compensation payments;
- n. Black lung payments;
- o. Tort settlement payments;
- p. Social security payments;
- q. Court-mandated payments;
- r. Payments from VA or any other Federal programs; and
- s. Any other income.

2. **Expenses.** Expenses means basic subsistence expenses and includes:

- a. Current expenses for the following:
 - (1) Rent or mortgage for primary residence;

- (2) Vehicle payment for one vehicle;
- (3) Food for Veteran, Veteran's spouse, and Veteran's dependents;
- (4) Education for Veteran, Veteran's spouse, and Veteran's dependents; and
- (5) Court-ordered payments of Veteran or Veteran's spouse (e.g., alimony, child-support).

b. Average monthly expenses during the 12 months prior to application or completion of the VA Form 10-10EC for the following:

- (1) Utilities and insurance for the primary residence;
- (2) Out-of-pocket medical care costs not otherwise covered by health insurance;
- (3) Health insurance premiums for the Veteran, Veteran's spouse and Veteran's dependents; and
- (4) Taxes paid on income and personal property.

3. **Fixed Assets.** Fixed assets means real property and other fixed (non-liquid) assets minus any outstanding lien or mortgage; except that this does not include:

- a. Burial plots;
- b. The residence, if the residence is:
 - (1) The primary residence of the Veteran and the Veteran is receiving only non-institutional extended care service; or
 - (2) The primary residence of the Veteran's spouse or the Veteran's dependents (if the Veteran does not have a spouse), if the Veteran is receiving institutional extended care services.

c. The vehicle, if the vehicle is:

- (1) The vehicle of the Veteran and the Veteran is receiving only noninstitutional extended care services; or
- (2) The vehicle of the Veteran's spouse or the Veterans' dependents (if the Veteran does not have a spouse) if the Veteran is receiving institutional extended care services.

4. **Liquid Assets.** Liquid assets include:

- a. Cash;
- b. Stocks;

- c. Dividends received from IRA, 401Ks, and other tax-deferred annuities;
- d. Bonds;
- e. Mutual funds;
- f. Retirement accounts (e.g., IRA, 401Ks, annuities);
- g. Art;
- h. Rare coins;
- i. Stamp collection;
- j. Collectibles of the Veteran, spouse, and dependents; and
- k. Household and personal items (e.g., furniture, clothing and jewelry) except when the Veteran's spouse or dependents are living in the community.

5. **Veteran Allowance.** The Veteran allowance is \$20 per day. **NOTE:** *This amount will be automatically applied by the VistA system based on the VA Form 10-10EC information entered into the VistA system.*

6. **Spousal Allowance.** The spousal allowance is \$20 per day if the spouse resides in the community (not institutionalized). **NOTE:** *This amount will be automatically applied by the VistA system based on the VA Form 10-10EC information entered into the VistA system.*

7. **Spousal Resource Protection Amount.** The spousal resource protection amount, as defined in 38 CFR 17.111, if the spouse is residing in the community (not institutionalized). **NOTE:** *This amount is not automatically applied by the VistA system and must be deducted from the value of the liquid assets as applicable during the completion of VA Form 10-10EC.*