



**Gary E Waterhouse
State Service Officer
Veterans of Foreign Wars of the US
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Committee on Aging**



Good morning Senator Prague, Representative Serra and distinguished members of the Committee on Aging, my name is Gary E Waterhouse, I am a Vietnam War Veteran and work as a Veterans' Service Officer in the VA Regional Office in Newington in this capacity I serve over two-hundred (200) veterans per month. I am also the Chair of the CT Council for Persons with Disabilities.

SUPPORT- Raised Bill No. 283 *AN ACT CONCERNING THE TREATMENT OF BENEFITS RECEIVED UNDER THE VETERANS' AID AND ATTENDANCE IMPROVED PENSION.*

VA estimates the number of veterans aged 75 and older has increased from about 2.6 million in 1995 to about 4.9 million in 2005. The older a person the more likely the need for long term care. Veterans who served on active duty during a period of war or their surviving spouses could be eligible for a little-known Department of Veterans Affairs income program called Veterans Pension. Pension is more popularly known in the media as the "aid and attendance benefit."¹ This additional income can pay up to \$1,949² a month to help veteran households pay for the elder care costs of home care, assisted living or nursing home care. According to the national care planning Council, the veteran's aid and attendance could be available to 33% of all seniors over 65 under the right circumstances.

Too many veterans lose their entire estates due to long term care nursing facility expenses. It is possible to meld **Medicaid benefits and VA healthcare benefits** that can save veterans estates and save the state Medicaid costs.

RAISED SENATE BILL 283 will require the Department of Social Services to adopt regulations in the state Medicaid manual declaring that veterans basic pension be viewed as Unusual Medical Expenses (UME) and Continuing Medical Expenses (CMA) where supportive evidence is available and that special monthly compensation such as "House Bound" and "Aid & Attendance" are not considered as countable income. Raised Bill No. 283 has the potential to maximize veterans' benefits and reduce Medicaid spending for the state of Connecticut.

A May 27, 2009 Administrative Law decision in Georgia addressed the impact of Veteran's Administration ("VA") Improved Pension with Aid and Attendance benefits on Medicaid eligibility. "*M.W. v. Georgia Department of Human Resources.*" The ALJ concluded that M.W. received VA Improved Death Pension with Aid and Attendance "to reimburse her for her out-of-pocket UME and CME." The ALJ noted that, according to Georgia's state Medicaid Manual, Unusual Medical Expenses/ Continuing Medical Expenses "UME/CME" reimbursements and A&A ... are never considered as income for determining Medicaid eligibility."

¹ 38 CFR 3.3 - Pension

² 38 U.S.C. 1114(o), 38 U.S.C. 1114(p).

Several states have begun using the PARIS³ match information to transfer veterans to VA or Department of Defense benefits. Some examples are:

- Montana (101,584 veterans) saved \$1 million in fiscal year 2008 and anticipated a savings of \$1.9 million in fiscal year 2009 by transferring veterans from Medicaid to the military's TRICARE health system.
- Washington state, with an estimated 618,086 veterans has transferred over 3,500 veterans and their families, many in long-term care, from Medicaid to either Department of Defense or VA healthcare coverage, saving \$20 million since 2006, including \$4.9 million in the most recent fiscal year
- California, with an estimated 2,086,560 veterans identified 144,000 state Medicaid recipients in 2007 who were veterans, and eligible for benefits from the Veterans Health Administration; annual savings of \$250 million from a voluntary shift of veterans from Medicaid to VA healthcare were estimated
- Colorado began using the PARIS match information and identified 1,600 VA-benefit eligible individuals or families, estimated to potentially save \$8 million annually

All veterans are potentially eligible for VA medical care, but this effort focuses on veterans who are receiving aid and attendance allowance or service-connected compensation at a 50% disability rating or higher. These veterans need not obtain a prescription from a VA doctor to receive drugs and medicines from VA, but can have their own doctor provide a prescription to the VA pharmacy. See 38 USC 17.1712(d).

State of Maine Regulation 10-144, Chapter 332

3430.06 PORTIONS OF EARNED AND UNEARNED INCOME

V. VA benefits have special treatment.

(A.) Excluded as income is that portion of a VA benefit (Pension or Compensation) which is paid to disabled veterans, their spouses, widows or parents as an Aid and Attendance, Housebound Allowance or payments resulting from Unusual Medical Expenses.

Commonwealth of Massachusetts Regulation (CMR) 130, Chapter 520.015

Noncountable Income - The following types of income are not considered in determining the financial eligibility of the applicant or member: "...

(E) veterans' aid and attendance benefits, unreimbursed medical expenses, housebound benefits, enhanced benefits (\$90 Veterans' Administration pension to long-term-care-facility residents, including veterans and their childless surviving spouses who live in a state veterans' home), or veterans' benefits that are based on need and are provided by municipalities to resident veterans;..."

³ The PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM (PARIS) is a Federal-State partnership which provides all fifty States, D.C., and Puerto Rico detailed information and data to assist them in maintaining program integrity and detecting/ deterring improper payments.