

Guide to Aid & Attendance Pension

Coordinating Veterans Benefits With Other Elder Care Resources



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INTRODUCTION

Our health care system doesn't make it easy to pay for home care. But the options are there for people who manage their resources, and coordinate benefit programs. Medicare coverage for long term care at home or in nursing homes is limited. There are Medicaid programs that pay for at-home care and nursing home care. Learn more from our online resource: [*MassHealth Community Care Programs in Hampden County*](#), available online at MassHealthHELP.com

This booklet explains how wartime veterans and spouses can qualify for cash care payments from the VA's Aid & Attendance Program, to supplement other sources of elder care. The benefit comes in the form of a monthly cash payment that is directly deposited into the bank account of the veteran, or the bank account of the surviving spouse.

Careful planning is required to coordinate Medicare,



Medicaid, Veterans Benefits, and private payment from the family's savings to protect the elder's quality of life and safety.

Current Veterans Pension Payment Amounts	1
What are the service requirements?	2
What Medical Needs do I have to prove?	3
What is the Income Test?	4
What is the Asset Test?	6
Example: A Surviving Spouse	7
Coordinating Your Plans	8

2013 Pension Rates

The Maximum Annual Pension Rates (MAPR) are divided into categories, and levels of payment:

<u>Single Veteran</u>	<u>Dec., 2012 Pension Rates Annual/Monthly</u>
Low Income	\$12,465 / \$1,038
Housebound	\$15,233 / \$1,269
Aid & Attendance	\$20,795 / \$1,732

<u>Veteran with 1 Dependent</u>	<u>Annual/Monthly</u>
Low Income	\$16,324 / \$1,360
Housebound	\$19,093 / \$1,591
Aid & Attendance	\$24,652 / \$2,054

<u>Surviving Spouse of Veteran</u>	<u>Annual/Monthly</u>
Low Income	\$8,359 / \$696
Housebound	\$10,217 / \$851
Aid & Attendance	\$13,362 / \$1,113

All veterans over age 65 are considered disabled, and they are automatically qualified for the **low income benefit**. Veterans younger than 65 must be totally disabled to receive pension.

If the veteran or surviving spouse is **housebound** in addition to being disabled, the applicant gets a little more money each month. To prove that the person is housebound, the person must give up his or her driver's license, and there must be a letter from the applicant's doctor.

The third and highest level of pension benefit is **Aid and Attendance**, for a veteran or spouse who has need for assistance or supervision due to his or her disability.

A veteran who does have disability caused by something that happened during military service gets a benefit called *Service Connected Compensation*, which can be increased if a spouse has unreimbursed medical expenses (see page 4). But a veteran cannot receive both *Pension* and *Compensation*. Pension may not be the best option, if a veteran or spouse already have disability compensation.

What are the Service Requirements?

The formal names for the pension benefit programs are the *Non-Service Connected Disability Improved Pension* and the *Non-Service Connected Death Pension*. You don't need a service connected disability, or service in combat. Here are the three service requirements:

- Anything "Other than dishonorable discharge"
- The veteran served on active duty at least 90 days
- At least one day of service during a period of war:

Period of War	Beginning and Ending Dates
World War II	December 7, 1941 to Dec. 31, 1946
Korea	June 27, 1950 to January 31, 1955
Vietnam Era	August 5, 1964 to May 7, 1975
Vietnam "in country"	February 28, 1961 to May 7, 1975 (includes service before Aug 5, 1964)
Gulf War	August 2, 1990 through a date to be set by law or by the President

Merchant Marine, Atomic testing, and Purple Heart also provide eligibility.

Will the Aid & Attendance be available for veterans and spouses who served in Lebanon in the 1980s, and other times not yet designated as a time of war? Ask your Senators and Representative in Congress.

What Medical Needs Do I Have to Prove?

The first thing to understand about Aid & Attendance is that it is available only to Veterans and surviving spouses who have serious health problems or impairments such as dementia.

The pension was established in 1952 to assist wartime veterans and spouses who require financial Aid, and the Attendance of another person to help them with daily living.

The medical eligibility requirements for Aid & Attendance, and the many misunderstandings that people have about the pension, were dramatized by the daughter of a World War II Veteran during a US Senate subcommittee hearing.



The daughter testified how a lawyer assured her mother and father they could get Aid & Attendance to pay rent at an Independent Living facility. Her 90 year old parents sold their house and moved to the independent living.

Her mother died, and the VA denied her father's application for Aid & Attendance because he was too healthy, and did not need the required level of care.

We get proof of the need for *attendance* from a doctor's evaluation of the veteran, or surviving spouse. It's very important that the medical evidence be reviewed by someone familiar with the VA. If the applicant's medical needs are not outlined properly, the VA case worker may not understand the veteran's needs, and deny the application.

What is the Income Test?

The second thing to understand about Aid & Attendance is how an applicant's care costs are tied in to their income. Without significant medical expenses (meaning expenses that are paid for out-of-pocket and not reimbursed by Medicare or health insurance) the veteran or spouse cannot qualify for Aid & Attendance.

One veteran, who was receiving Aid & Attendance to reimburse for the cost of home health aides, was not capable of understanding these important facts about income and expenses.

The veteran needed the home health aides to assist him, because of dementia and other health problems. The veteran terminated the home health care services. Then, because the VA audits Aid & Attendance payments every year, they saw that the veteran no longer had unreimbursed expenses for the home health aides. The VA terminated his pension!

The household income of the veteran or the surviving spouse cannot exceed the Maximum Annual Pension Rate (MAPR) that is listed on page 1 of this booklet. If those income amounts look low to you, remember that unreimbursed medical and health care expenses offset those income amounts.

Do you understand how a veteran or surviving spouse can reduce the MAPR amount by getting the care they need that is not reimbursed by health insurance or Medicare?

Here's an example of unreimbursed medical expenses greater than the Veteran's income, resulting in financial means test less than zero, so the full monthly pension should be awarded:

Social Security**\$ 1,200.**
5% of MAPR.....**+ 60.**
Income Threshold **1,260.**

Prescription Co-pays... - 100.
Medicare Premium..... - 99.
Home Health Care Cost -1,400.
Total Net Monthly Income \$ - 339

Medical expenses include at-home care, if the applicant cannot be left alone at home. If the applicant lives in assisted living because he or she cannot live at home alone, the assisted living rent can also be covered by Aid & Attendance. Family members (not including a spouse), can be paid to provide care.

Here are examples of unreimbursed medical expenses:

- Medicare part A or Medicare part B premiums,
- prescription drug co pays, and over the counter drugs if directed by a physician,
- assisted living rent
- home health care aides
- transportation for medical purposes
- dentist visits
- other regularly occurring medical expenses

After deducting the un-reimbursed medical expenses, the VA calls the remaining net income amount "Income for VA Purposes" or "IVAP."

What is the Asset Test?

Some people believe there is an absolute rule that household assets cannot exceed \$80,000 if married, and \$50,000 if single. But that is often not accurate, because there is no specific asset test in VA regulations. Decisions about assets are made by each VA claims worker who processes each application. There's no written formula for assets; only a general requirement that net worth "cannot be excessive."

A GOA Report delivered to Congress explains that if a Claimant has assets worth over \$80,000, the VA procedures manual requires claims workers to decide if the Veteran's assets "will last a reasonable period of time to pay for their basic expenses.

Net Worth + Income - Expenses

Age / Life Expectancy

Claims workers consider: net worth of the assets, income, and unreimbursed medical expenses, and the Veteran's age, and life expectancy, to determine if the Veteran's has sufficient financial assets to pay for his own care expenses without the Aid & Attendance

There is also a belief that an older person is allowed to keep fewer assets than a younger person. But in our office, we have seen how a surviving spouse who has very expensive care needs was allowed to keep very substantial assets to spend on paying for that care, even though she was in her late 80's.

Personal residence, personal property, and automobiles are exempt from the asset test. If the applicant has too many assets, assets can be gifted. But the rules about gift transfers may soon change.



While there is currently no penalty imposed by the VA if the applicant gifts assets, US Senators held a hearing in June, 2012 and promised to impose a three year

lookback period on all transfers.

Medicaid also has a lookback period. Remember that the VA will never pay the full cost of nursing home care for veterans who do not have service connected disabilities. If the veteran is going to need Medicaid within 5 years, there must be a careful plan to cover the costs of nursing home care. Medicaid will disqualify the applicant if the applicant has made gifts, or transferred assets for less than market value, within 5 years of the application.

Transfers of assets, if properly planned, can protect an elder. But a mistake can costs thousands of dollars, and cause lost eligibility. An experienced elder law attorney can help protect assets, and coordinate care coverage from all sources of payment.

Example: A Surviving Spouse

If the veteran is deceased, a spouse can apply for Aid & Attendance if she was married to the veteran at the time of his death. Arlene's first husband was a veteran who had served during World War II, and in Korea. His service was recorded on his discharge papers. He died during the 1960's.

Arlene had substantial assets when she was diagnosed with a serious memory impairment (Alzheimer's). She now requires the "aid and attendance" of other people to safely manage her basic activities of daily living.

During 2012, VA regulations allow for monthly "**Aid and Attendance**" benefits of **\$1,094** to be paid for Arlene's care every month. The VA Aid and Attendance pension amount is in addition to her Social Security Retirement, and her work pension.

Coordinating Your Plans.

Veteran benefit applications are complicated. Applicants sometimes forget to include information that would help the VA award the pension more quickly. If you forget to send needed information, the VA can delay an application for up to 6 weeks. Some applicants have had delays lasting over a year!

When benefits are awarded, you get paid retroactively, from the month after you filed the application. But why wait?

No one can charge you to fill out an application. We complete applications as a free service for our clients for whom we are doing other work. There are also veterans agents and service organizations that assist veterans with the application. MassHealthHELP.com lists the Veterans Agent serving cities and towns in Hampden County.

To make good decisions, you must have a complete view of all of the benefits programs and options that are available, so Medicaid (MassHealth), Medicare, Veterans Benefits and your private health insurance will work together. [Medicaid programs](#)



[available in Hampden County](#) can help to pay for care at home, along with VA Aid & Attendance. If you don't need Medicaid now, you may need it in the future. You must preserve Medicaid eligibility. We can keep your plans in formation.



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