

## Impact of Proposed Changes to the V.A. Pension Program

The VA Aid & Attendance program provides a monthly pension to qualified Veterans, or their widows, to offset medical expenses. This pension often enables recipients to receive help at home or in assisted living rather than through Medicaid in a Nursing Home.

	Current Policy	Proposed Changes	Impact
Qualified Medical Expenses	In addition to medical bills, prescriptions, and insurance premiums, Veterans can deduct the full cost of Assisted Living or Home Care Assistance if they require assistance with two or more ADLs (bathing, dressing, transferring, feeding, toileting).	Only ADL care from licensed individuals would be deductible; Only the portion of care that is medically necessary would be deductible.	Veterans who live at home or in unlicensed personal care homes will be less likely to be approved for the benefit, as will persons with dementia who may need medication management or other supportive services.
Financial Need	Qualified Medical Expenses are subtracted from monthly income to determine qualifying income. Assets are evaluated separately based on actuarial life expectancy.	Annual income would be combined with total assets and this Net Worth could not exceed \$119,000.	No provisions for married Veterans who may need to reserve funds for their spouse's future needs. \$119,000 may cover the cost of AL for 2 years at best.
Transfer Look-back	No look-back period for asset transfers, gifts or other expenditures.	3 year look-back with all gifts and transfers subject to penalty. Annuities and trusts can not be used. Penalty based on monthly benefit – since benefit for widows is less, their penalty would be longer.	Provisions should be made to allow gifts to disabled children, & transfers into trust for the Veteran's or their spouse's future need. Penalty should be standardized so widows are not disproportionately affected.
Allowable Spend Down	Assets can be transferred into a trust, annuity or gifted to a loved one. Expenditures for household maintenance, pre-need burial, one automobile and medical costs are allowed.	Only expenditures for household maintenance and medical expenses are exempt from penalty.	Proposed changes will not allow for benefit planning near or at the time of need.
Residence	Home is an exempt asset.	Only a primary residence on 2 or fewer acres would be exempt.	Veterans in rural areas, who have the least access to healthcare, would be disproportionately affected.

Submit your comments BEFORE 3/24/15 at <http://www.regulations.gov/#!documentDetail;D=VA-2015-VBA-0003-0001>

