VA Pension Programs & FDC Processing
PMC Representatives

Chris Nolan - Coach, Appeals Team

Elizabeth Gliske - Coach, Maintenance Team
What We Will Cover

- Overview of the PMC
- What’s new in the PMC
- Qualification for Veterans Pension, Survivors Pension and DIC
- Fully Developed Claims (FDC)
- Questions
Snapshot – Fiscal Year 2014 Progress

September 30, 2013
Rating Inventory = 7,705  
Burials Inventory = 7,725  
Survivor Inventory = 5,924

More rating stats
Average Days Pending = 52.6  
% of claims > 125 days = 4.9%  
One year old claims = 1

March 17, 2014
Rating Inventory = 7,378  
Burials Inventory = 8,511  
Survivor Inventory = 5,301

More rating stats
Average Days Pending = 43.7  
% of claims > 125 days = 2.7%  
One year old claims = 0
September 30, 2013

Pending EP 150 = 20,572
  ADP = 276.6
Pending EP 130 = 4,710
  ADP = 197.8
Pending EP 297 = 7,725
  ADP = 92.7
Pending EP 607 = 7,501
  ADP = 94.6
One year old claims = 6,419

March 17, 2014

Pending EP 150 = 12,184
  ADP = 166.6
Pending EP 130 = 3,252
  ADP = 94.3
Pending EP 297 = 5,293
  ADP = 70.1
Pending EP 607 = 5,599
  ADP = 82.8
One year old claims = 1,160

ADP – Average Days Pending
What is New This Year?

- Burial Benefits rate change
- COLA increase 1.5% effective December 1, 2013
- Effective 2013 – EVRs are not being sent to claimants in receipt of Veterans or Survivors Pension
Veterans Pension

Qualifications for Veterans Pension

• 90 days or more of active military service, at least 1 day during a period of war. Effective September 7, 1980, must serve at least 24 months of continuous service

• Discharged under conditions other than dishonorable

• Permanent and Total Disability (P&T) - by rating, age 65 or older, in receipt of Social Security Disability (need disability onset date) or in a nursing home
Qualification for Survivor Benefits

- Widow or qualifying child of a wartime Veteran with qualifying service
- Meets income and net worth guidelines
- Meets marital requirements if spouse
- Meets child requirements
  - Under age 18
  - 18 to 23 in college
  - Helpless before age 18
Special Monthly Pension

**Housebound (rating required)**
- Substantially confined to the home
- Single disability rated at 100% and an additional disability at 60% or more

**Aid and Attendance**
- In need of assistance of another person with his/her activities of daily living. I.e. inability to dress or undress, keep oneself clean, adjust prosthetic appliance, or bedridden.
- In a licensed nursing home receiving skilled or intermediate care (administratively granted, medical evidence not required)

**Notes:**
- Medical evidence needs to include diagnosis and description of severity
- Must be signed by a physician, nurse practitioner or RN if at VA facility. Cannot accept RN or Physician Assistant signatures at non-VA facilities.
Inability to Manage Financial Affairs

- Rated incompetent by VA or under legal disability by reason of court action
- VA will take action on letters of conservatorship and guardianship from a court (not durable power of attorney)
- Medical Evidence: need correspondence stating the claimant is unable to manage his/her finances and medical documentation from a physician with a diagnosis
Who Can Sign an Application?

Signatures

M21-1MR. III.ii.1.C.11.a Signature by Mark or Thumbprint

Accept signatures by mark or thumbprint *only* if any one of the following individuals (or group of individuals) witness the mark or thumbprint:

- two persons who give their addresses
- a VA employee
- a notary public, or
- a person having the authority to administer oaths for general purposes.
- Need signature of claimant even if claimant has a durable power of attorney
Countable and Not Countable Income

**Countable Income**
- Earnings, retirement income, interest, dividends, unemployment compensation, business income and Life insurance dividends

**Not Countable Income**
- Maintenance to assist in daily expenses, VA pension, profit from sale of home, welfare (benefits from Social Services)
Net Worth

- The term **net worth** for Department of Veterans Affairs (VA) purposes includes all personal property owned by the claimant, except for personal effects suitable to the claimant's reasonable mode of life.
- For Veterans Pension, a Veteran's net worth includes the net worth of his/her spouse.

Sale of Home
- Considered a conversion of assets
- Change in net worth may affect Pension Eligibility (fill out VA Form 21-8049)
- Termination of benefits for net worth are effective January 1st of the following year
- If not residing in home, not countable as net worth unless rental income is generated or used for business purposes
In-Home Care

• Annual verification is not required
• The claimant is required to submit documentation of expenses for in-home care:
  – When in-home attendant fees are initially claimed, AND
  – If the person/company providing the services changes
Nursing Home or Assisted Living

We need to know:

- Breakdown of nursing and “rent” fees
- Date entered
- Projected length of stay
- Facility name
- Facility address and phone number
- Medicaid (for nursing homes)
Medicaid $90 rate

- 38 CFR 3.551 (i) states VA must limit claimants to the $90/month for a Veteran, surviving spouse or surviving child who:
  - Has neither spouse nor child, and
  - Is in a Medicaid approved nursing facility, and
  - A Medicaid plan covers in part or all of his or her nursing home care.

Note:
- No overpayment is created when reducing to the $90 rate.
- The $90 payment is for personal use and cannot be used to cover nursing home expenses.
- Exception: not reduced to the $90 rate if in a State Veterans Home.
Independent Living Facilities

- Per Fast Letter 12-23 (*Room and Board as a Deductible Unreimbursed Medical Expense*), if the claimant is in an independent living facility, we need the following:
  - Itemized list of services provided, specifically the activities of daily living (ADLs)
  - Breakdown of nursing and “rent” fees
  - Date entered
  - Length of stay
  - Facility name
  - Facility address and phone number
Qualifications for DIC

- Veteran died of a service related condition
- Service connected condition contributed to the cause of death
- Died of a presumptive condition
- Had a 100% evaluation or in effect for 10 years prior to death

38 USC 1318
Types of Burial Benefits

• Non-service-connected (NSC)
• Service-connected
• Plot allowance- only with NSC burial claims
• Transportation allowance
• Memorial

How to Apply

• Submit VA Form 21-530 (within two years of death if NSC)
• Death Certificate (needs to show cause of death)
• Statement of Account (needs to show who paid the expenses)
• Certified DD214 (if Veteran was not receiving benefits)
## Burial and Transportation Rates

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<th>10/01/2011</th>
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<td>SC Burial</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,000</td>
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<tr>
<td>NSC Burial (hospitalized by VA)</td>
<td>$700</td>
<td>$722</td>
<td>$734</td>
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<tr>
<td>NSC Burial</td>
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<td>$300</td>
<td>$300</td>
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<tr>
<td>State Cemetery</td>
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</tr>
<tr>
<td>Plot Allowance</td>
<td>$700</td>
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Fully Developed Claims (FDC) Program

• Innovative program designed to provide Veterans and claimants with quick and expeditious decisions

• Does not impact quality of claim processing and preserves appeal rights

• To greater assist the claimant, We Need Your Support!
How Does FDC Program Work?

**FDC Program**

- Provides Veteran/Claimant notice of the evidence necessary to substantiate their claim at the time of submission
- Veteran/Claimant submits all evidence necessary to decide their claim at the time of submission
  - Certification of no additional evidence
- Significant reduction in processing time

**Traditional Processing**

- VA provides a Veteran with a 38 CFR § 5103 “Duty to Assist” letter after a claim is received
- Delays occur awaiting the receipt of evidence submitted after application
  - Often awaiting evidence from third parties, i.e. private physicians
- Longer processing times
FDC Claim Types

• Any Compensation Claim including
  – Claim for increase
  – Claims for service-connection (even 38 USC § 1151)
  – Claims for reopened service-connection
  – Claims for Individual Unemployability (IU)
  – Claims filed on a secondary basis
  – Claims for special monthly compensation

• Any Initial or Reopened Live Pension Claim including
  – Special Monthly Pension (A&A and Housebound)
  – Helpless / Seriously Disabled Child

• Survivors Pension, DIC, and/or Accrued Benefits
  – Special Monthly Pension (A&A and Housebound)
  – Helpless / Seriously Disabled Child
“EZ Forms are what make the FDC program unique. These forms provide Veterans Claims Assistance Act (VCAA) notification requirements (as required by 38 U.S.C. § 5103) for eligible claims at the time in which a Veteran applies for benefits. This allows Veterans to immediately understand what is necessary to substantiate and fully develop their claim...”

-FL 12-25

- Compensation Benefits MUST be submitted on VA Form 21-526EZ
- Veterans Pension MUST be submitted on VA Form 21-527EZ
- Survivor Pension, DIC, and Accrued Benefits MUST be submitted on VA Form 21-534EZ

Only EZ Forms issued from August, 2011, or after are acceptable. Any EZ Form issued prior to August, 2011, will be excluded from the FDC program.

Exception: If submitting a claim for death pension or DIC, use the December 2012 version of the 21-534EZ.
FDC – Special Circumstances

- Fill in **ALL** income sections (do not leave any blank)
- If claiming **survivor pension with aid and attendance or housebound benefits (Special Monthly Pension)**, a completed VA Form 21-2680, *Examination for Housebound or Permanent Need for Regular Attendance*, and a completed VA Form 21-0779, *Request for Nursing Home Information in Connection with Claim for Aid and Attendance* is required
- If claiming **assisted living, independent living, or in-home care expenses**, a *Care Expense Statement* filled out and signed by the care provider is needed.
- If claiming **a child in school between ages of 18 and 23**, VA Form 21-674, *Request for Approval of School Attendance* is needed
- If claiming **dependents**, must submit VA Form 21-686c, *Declaration of Status of Dependents*
- If claiming **seriously disabled (helpless) child**, must submit all relevant private treatment records pertaining to the child’s disabilities
- If applying for death benefits, submit a death certificate that lists the cause of death
FDC Exclusions

FDCs may be excluded from the program for a variety of reasons:

• The Veteran/Claimant indicates a desire NOT to have the claim processed FDC

• The Veteran/Claimant has a claim pending at the time of receipt of the EZ Form

• The claim requires a determination regarding character of discharge

• Claims submitted without certified service documents (if service is not already verified)

• The claim requires development for records in the custody of the Veteran’s Guard / Reserve unit(s) or further evidence from a private medical provider
FDC Exclusions

• Veteran fails to report for examination, unless it is solely the fault of VA

• A supplemental claim, additional evidence, or a NOD on any claim is received after the receipt of the FDC

• The claim requires ANY development beyond
  – Requesting records from the Federal government (other than Guard / Reserve units), or
  – Federal treatment records such as VAMC treatment records, or
  – VA examination / DBQ

• FDC submitted on outdated EZ Form
  – Claims submitted on the February 2010 version of the VA Form 21-527EZ and/or August 2011 version of the VA Form 21-534EZ will be excluded
General Rule

• If we require additional evidence that is NOT listed in the instructions of the form, or
• If we require additional evidence or forms that the claimant would have no way of knowing to submit:

We will exclude and develop for these items.
Scenario 1:

If the claim just requires additional medical evidence for PT and/or SMP and there is no VA Form 21-4142 submitted.

**Action:** Rating completed based on evidence submitted (denial)

- If a VA Form 21-4142 is submitted and we cannot grant PT or SMP benefits, the claim is excluded from the FDC program for development.
Scenario 2:
Application is complete; however, service is not verified/no DD214 or certified documents received with application

*Action: Internal verification for service.*

- Claim is not excluded from the program but delay in claim processing.
- If federal records are fire related or unable to be verified, claim is excluded and development to claimant is initiated for service documentation.
- Must have sufficient service information to identify Veteran’s service. i.e. Veteran’s service number, period of service, and branch of service.
Scenario 3:  If the claimant leaves items blank in Sections VII, VIII, or IX of the application (Net Worth and Income):

Action: Claim denied without development.

EXCEPTION:
• If the claimant puts $0 in one of the “Other Income” boxes in Section VIII or IX and leaves the other two blank, that is considered a complete application.
FDC Examples-Dependency

Scenario 4:
Veteran does not provide complete marital history for either him/herself or their spouse.

Action: Income/net worth of the spouse counted but not added as a dependent.
Solicit for marital history in award letter.

Scenario 5:
If the surviving spouse does not provide complete marital history for herself/himself or does not answer the remarriage or continuous cohabitation questions:

Action: Denied the claim for failure to furnish required evidence (unless he/she was on the Veteran’s award per FL 12-04).
Scenario 6:
If the claimant does not provide the date or place of birth for a dependent child and/or does not submit a VAF 21-674 for a school child:

**Action:** Income/net worth of the child are counted but not added as a dependent. Solicit for information in award letter.

Notes on Dependency:
- We must have the SSN of all dependents before we can grant benefits.
- If Veteran or surviving spouse listed common law marriage but does not include VA Form 21-4171/VA Form 21-4170, we exclude and develop for marital information.
FDC Example-Medical Expenses

Scenario 7:
If the claimant reports nursing home expenses but does not provide sufficient documentation to be able to count them:

Action: Expenses are denied and VA Form 21-0779 or Care Expense Statement solicited in the award notification letter.

Scenario 8:
If the claimant reports assisted living, in-home care, or independent living expenses but does not provide sufficient documentation to be able to count the expense.

Action: Excluded from FDC and development sent for Care Expense Statement.

Scenario 9:
If the claimant reports third-party care expenses in addition to independent living expenses, but does not provide a physician’s statement to satisfy FL 12-23:

Action: Excluded from FDC and development sent for the physician’s statement (and Care Expense Statements if necessary)
Scenario 10:
Claimant reports assets in retirement account but does not give their RMD/monthly income from the account(s) and claimant is over 70.5 year of age (IRS requires distributions from accounts).

    Action: Excluded from FDC and development sent for distributions received or expected to receive.

Scenario 11:
Claimant’s application shows assets in a trust, annuity income without the value of the annuity, or has a rental income but no value of the rental property.

    Action: Excluded from FDC and development sent for the trust agreement, value of trust and VA Form 21-8049; value of annuity and annuity purchase agreement; and/or value or rental property and VA Form 21-4185.
Contacts

- PMC CVSO line 612-713-8978 (8:00-4:30)

- VBASPL/PMCVSO (if in outlook)

- CVSO Debt Management Center (DMC) 1-612-970-5737
Thank you!

Questions?