

VA Pension Programs & FDC Processing



PMC Representatives

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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

Snapshot – Fiscal Year 2014 Progress

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 ones self 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

Burial Benefits

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

	10/01/2011	10/01/2012	10/01/2013
SC Burial	\$2,000	\$2,000	\$2,000
NSC Burial (hospitalized by VA)	\$700	\$722	\$734
NSC Burial	\$300	\$300	\$300
State Cemetery	\$700	\$722	\$734
Plot Allowance	\$700	\$722	\$734

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...A MUST for FDC

“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 Veterans 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

FDC Exclusions

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.

FDC Examples

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.

FDC Examples

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.

FDC Examples

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).

FDC Examples-Dependency

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)

FDC Examples-Income

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?

