



# Changes in Veterans' Annual Financial Reporting Procedures (Means Test)

Information Sessions  
January 2014

# Objectives

- VA Means Testing Background
- Impact of Changing Veterans' Annual Financial Reporting Procedures
- Current Veteran Annual Reporting Requirements
- Outline changes to annual financial reporting requirements:
  - Updated reporting process
  - Veterans Experience
  - Benefit to VA
- Impact to staff
  - Operational changes
  - Software changes
    - VistA/ES
    - Beneficial Travel
    - Integrated Billing
- On-Line References

# VA Means Testing Background

- Since 1986, non-service connected and 0% service connected Veterans without special eligibility, have been subjected to a means test (also known as a financial assessment). These Veterans are required to self-report their gross household financial information on an annual basis.
- Veteran's self-reported financial information is used to determine their ability to defray the cost of health care, establish their eligibility for cost-free prescriptions, beneficiary travel and, in some cases, enrollment priority.
- The means test (MT) is based on prior calendar year information and is required to be updated annually.
- VA subsequently verifies Veterans' self-reported income information by matching it with records obtained from the Internal Revenue Service (IRS) and Social Security Administration (SSA).
- Income Verification team works with the Veteran to resolve discrepancies and provides Veteran an opportunity to provide additional information and verify the IRS/SSA data.
- If income is above threshold, Veterans are back-billed copayments for care and inappropriate travel benefits received are collected.

# Impact of Changing Veteran's Annual Means Test Reporting Procedures

Continued health benefits eligibility could be established for 92% of Veterans (1.1m) who are required to update means tests annually.

8% of Veterans' eligibility will be established by leveraging existing income verification processes.

Historically, greater than 92% of the updated Means Tests resulted in no change in the Veteran's health benefits eligibility.

170K means tests verified annually. (Includes both renewals and first-time enrollees).

97% (165k) resulted in a change to the Veteran's health benefits eligibility.

# Means Test Exemptions—No Change

- Veterans not required to complete a MT
  - Veterans rated 10% or greater as disabled for any service connected condition
  - Veterans who are discharged or released from active military duty due to a disability incurred in, or aggravated in a Line of Duty
  
- Veterans with special eligibility factors:
  - Aid and Attendance
  - Housebound
  - In receipt of VA Pension
  - Purple Heart
  - POW
  - Priority Groups 1-3

# Changing the Means Test Reporting Process

- On May 29, 2012 Executive Decision Memorandum was approved by the Under Secretary for Health to discontinue Veteran's annual reporting requirement
- PL 112-154 (8-6-2012) provides VA the authority to use the most-recent available income for benefit determination
- **When will this start?** In 2<sup>nd</sup> Quarter 2014, business process change will implement the functionality to automatically set Veterans' eligibility based on verified income information
- **How will VA get the Veteran's income information?** We will leverage our IRS/SSA matching authority to verify Veterans household income
- **What changes have been made to the 1010 forms?**
  - Revised VA Form 10-10EZ to emphasize that Veterans income is subject to matching from initial submission forward
  - Revised VA Form 10-10EZ financial section to reflect optional completion

# What is Changing for Existing Enrollees?

- During 2<sup>nd</sup> Quarter 2014, enrolled Veterans are no longer required to submit their income information
- Field facilities enrollment staff need to be aware that there will be *no* need to continue asking enrolled Veterans to complete an annual MT
- However, enrollment staff should advise Veterans that at anytime they can voluntarily provide changes to their financial and demographic information such as:
  - address (including email)
  - phone numbers (including mobile)
  - marital status
  - next of kin
  - Dependents
  - health insurance

by completing VA Form 10-10EZR, Health Benefits Renewal Form, on-line at:  
<http://www.va.gov/healthbenefits/enroll>

# Financial Reporting Process Changes- for Existing Enrollees

- In lieu of annual financial reporting, VA will simply confirm the Veterans' continued ability to pay applicable copayments for health care and medications and eligibility for beneficiary travel benefits, using information obtained from the Internal Revenue Service (IRS) and Social Security Administration (SSA).
- Veterans will be contacted only if the financial information VA receives indicates a change in their VA health benefits may be appropriate.
- Certain Veterans (such as Veterans with compensable service-connected disabilities, Purple Heart Medal recipients or Veterans discharged due to a disability) who provide their financial information to determine their eligibility for medication copays and beneficiary travel are not yet included in this new process.



# Veterans' Experience

- Veterans who are enrolled in Priority Groups 5 through 7 and who have a current Means Test on file will no longer be required to submit annual financial assessments
- Eliminates the burden for enrolled Veterans to annually report their income
- Improves service to Veterans by increasing accuracy of enrollment decisions
- Reduces Veterans' frustration
- Decreases timeframe with billing of copays
- Improves Veteran satisfaction with enrollment process
- Reduces time completion burden with streamlined VA Form 10-10EZ
- Allows Veteran to submit updated financial and demographic information-anytime- if he/she believes it will affect his/her enrollment status

# Impact on VA staff-- What should you do?

- Do not contact Veterans to supply updated financial information if their MT status is:
  - MT Copay Exempt
  - Geographic Means Test (GMT) Copay Required
  - Pending Adjudication
  - MT Copay Required
- Collect a MT from **new** applicants who are non-service connected or 0% service connected Veterans, without special eligibility factors
- Collect financial information from Veterans who are not subject to Means Testing if Veteran
  - seeks exemption from medication copayments or
  - wants to establish eligibility for beneficiary travel
- Obtain updated financial information from Veterans with an enrollment status of Pending MT Required. Once their MT is completed, these Veterans will not be asked to provide updated financial information annually.
- Encourage Veterans to voluntarily provide updated financial and demographic information to assist in establishing their eligibility for health benefits using VA Form 10-10EZR

# Benefits to VA

- Reduces opportunity for income reporting errors
- Assures integrity of health care enrollment program
- Streamlines the income verification process
- Saves on costs in mailing Means Test (MT) reminder letters
  - Approximately \$28M savings over 10 years

# Software Changes-- VistA/ES

## VistA Registration Eligibility & Enrollment

- Means tests less than 1 year old from the VFA Start Date and forward will be considered current and will not expire
- A means test stub record with a status of required is generated and the search for person will only display an alert when the patient is subject to means testing and:
  - There is no means test on file
  - The primary means test on file has a status of No Longer Required
  - The primary means test on file is more than 1 year old from the VFA Start Date and the means test status is MT Copay Exempt, GMT Copay Required, or Pending Adjudication
- The system allows the user to add a new means test for a Veteran who is subject to means testing; the test will become effective immediately

# Software Changes-- VistA/ES

Continued

- Users cannot complete, edit or adjudicate a means test older than 1 year from the effective date and corresponding alerts advising the user to add a means test will display
- **Q: Can a Veteran still request a hardship?**
- **A:** Yes, A hardship can only be added during the current income year of the means test
- The means test letter options will be disabled
- The following menu options should be **permanently** unscheduled to run as background jobs:
  - Daily Means Test Expiration Report [EAS MT EXPIRATION BG PRINT];
  - Background print job for EAS MT Letters [EAS MT LETTERS BG PRINT];
  - Background search for MT Anniversary dates [EAS MT LETTERS BG SEARCH].

# Software Changes—Beneficiary Travel/RX Copay Test

**Q: Will this change impact how Rx copay tests and Beneficiary Travel eligibility is determined?**

A: There is ***no change*** in the manner in which Rx copay tests and Beneficiary Travel eligibility is determined

- VistA will use the current means test information to determine waiver and eligibility status for beneficiary travel claims
- The current means test information will be displayed on the beneficiary travel claim screen.

# Software Changes—Beneficiary Travel Issue

## **Issue:** Processing Claims During the Gap in Means Testing

- When a Veteran has a gap between Means Testing and a claim is entered (***back dated***) during that period the Beneficiary Travel software is not accurately determining the eligibility 100% of the time.

## **Impact:** Veterans may receive beneficiary travel reimbursement when they are not entitled.

- As VFA moves forward, the opportunity of this occurring should decrease, because Means Test will not expire.

## **Manual Workaround:**

Staff should pay close attention to NSC Veterans records. If the displayed income is above the VA Pension Threshold, then respond “NO” to the prompt “Answer NO if you want to deny claim for any reason. Want to continue? Yes//” to deny the claim if the Veteran’s only eligibility/entitlement is based on income.

# Beneficiary Travel Issue: Screen Example

- Claim Date: APR 1,2013@16:00
- 
- Name: TESTPATIENT,BHSTHREE    PT ID: 000-00-1953    DOB: OCT 29,1953
- 
- Address: 1234 TESTING
- ATLANTA, GEORGIA 30303
- 
- Date Address Last Changed: JAN 08, 2013
- 
- Eligibility: NSC



## Beneficiary Travel Issue: Screen Example (cont'd)

- Income: \$30,000 (Year: 2013) ←
- No. of Dependents: 0
- 
- BT Income: NOT RECORDED
- 
- TOTAL TRIPS THIS MONTH: 0      ONE WAY, 0 RD TRIP      WAIVER GRANTED: NO
- TOTAL DEDUCTIBLE THIS MONTH: 0
- 
- Continue processing claim? YES// YES
- Answer NO if you want to deny claim for any reason. Want to continue? Yes//N (No) ←

# Software Changes--Integrated Billing

- APIs were modified to calculate and display the RX copay exemption status using the new VFA business rules associated with the means test keeping RX copay exemption in synchrony with the means test
- Exemption letters will no longer print the renewal date for Veterans subject to means testing
- VistA will no longer print reminder letters for Veterans subject to means testing

# On-Line References

**VA Form 10-10EZ, Application for Health Benefits; 10-10EZR Health Benefits Renewal Forms:**

<https://www.1010ez.med.va.gov/>

**The following documents will be available online during 2<sup>nd</sup> quarter FY 14 at:**

**at:** <http://www.va.gov/healthbenefits/>

- Fact Sheet
- FAQ
- HRC Scripts
- Changes in Veterans' Annual Financial Reporting Procedures—Information Bulletin
- One-Time Veteran Notification Letter
- Information Sessions presentation

# For More Information

Visit: [www.va.gov/healthbenefits](http://www.va.gov/healthbenefits)

- Internal Stakeholders contact:

Benita K. Miller, Director, Health Eligibility Center

[Benita.Miller@va.gov](mailto:Benita.Miller@va.gov); 404-828-5300

LeRoy Garcia, Associate Director, Income Verification Division (HEC)

[LeRoy.Garcia@va.gov](mailto:LeRoy.Garcia@va.gov); 404-828-5395

- Veterans contact:

1-877-222-VETS (8387)

**To Conclude ...**

## **Questions**



**Email Group: VHA HEC VFA Implementation Team**