



State of New Jersey

DEPARTMENT OF HUMAN SERVICES

DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

CN 712

TRENTON, NEW JERSEY 08625

MEDICAID COMMUNICATION NO: 93-24

DATE: November 30, 1993

TO: County Welfare Agency Directors
Institutional Services Section Area Supervisors

SUBJECT: Reduction in Veterans' Improved Pension Benefits for Surviving Spouses

Medicaid Communication No: 91-20 dated July 29, 1991, advised the county welfare agencies of the reduction in veterans' pensions for certain veterans; specifically, veterans receiving Medicaid services in an approved facility who have neither a surviving spouse nor child and receive an **Improved Pension** benefit. The reduced Improved Pension amount is not to be considered income in determining financial eligibility, and for post-eligibility purposes, it must not be used as a contribution toward the cost of care.

Effective October 29, 1992, the group of veterans affected by this reduction option was expanded to include surviving spouses. Similar to the initial group of veterans, a surviving spouse must be without children, residing in an approved Medicaid facility, and receiving an Improved Pension. This reduction in benefits was effective on or about August 1, 1993.

The Veterans' Administration (VA) began an initial mailing in May 1993 to notify individuals who will be affected by this reduction. This reduction is effective the last day of the month following the 60th day after the date of the notice, or August 1, 1993, for those notified in the initial mailing. For new admissions and individuals identified subsequent to the initial outreach, this same notification process will apply. The Veterans' Administration will not reduce benefits retroactively, unless it is determined that the veteran willfully concealed relevant information.

The amount of the reduced Improved Pension will become the veteran's Personal Needs Allowance (PNA), not to exceed \$90.00. Individuals receiving Improved Pensions of less than \$90, while not subject to reduction, may retain the full pension as PNA. However, other income, if available, may only be used to supplement PNA up to the standard \$35.00, for pensions below that amount.

The long-term care billing system allows up to a maximum of \$90.00 per month PNA if the pension is identified on the PA-3L form as an "Improved Pension". For cases where the reduction in benefits has been effected, the county welfare agencies are instructed to prepare the PA-3L form in accordance with Medicaid Communication No. 91-20:

1. Enter the amount of the veteran benefit in the block designated "Railroad/Veteran" and circle the word "Veteran".
2. If it is determined that the veteran benefit is an Improved Pension, enter **"VET. IMP. PENSION"** in the "Remarks" column. This will indicate to the Bureau of Claims and Accounts that an increased PNA is allowed.
3. If the veteran benefit is other than Improved Pension, i.e., Compensation, Old Law Pension, 306 Pension or insurance, no identifier is needed in the "Remarks" column. These groups of veterans will not be affected by the reduction in benefits nor will they be allowed an increased PNA.

Unfortunately, there is no identifier on the VA check to indicate that an individual is receiving an Improved Pension. However, the Improved Pension is the only VA pension benefit which increases with the cost of living. Using this information, Division staff compiled the enclosed list of veterans believed to be receiving an Improved Pension, to assist the county welfare agencies in outreach efforts. For those listed individuals, a system generated PA-3L form has been prepared and will be mailed under separate cover. Veterans who receive Improved Pensions and have not notified your agency of a change should be contacted and encouraged to advise the Veterans' Administration located at 20 Washington Place, Newark, New Jersey 07102, of their Medicaid status in an approved facility. A prototype is attached for that purpose. Likewise, nursing facilities will be notified of the process and encouraged to cooperate.

Please refer any questions relating to this communication to the field service staff assigned to your county.

Sincerely,



Alan G. Wheeler
Acting Director

AGW:Jm

Attachment

cc: Marion E. Reitz, Director
Division of Family Development

Nicholas Scalera, Director
Division of Youth and Family Services

Veteran's Administration Regional Office
20 Washington Place
Newark, New Jersey 07102

VA Claim # _____
Date of Birth _____
Social Security # _____

Dear Adjudication Officer:

I have been a resident of _____,
a Medicaid approved nursing facility, since _____ and became
eligible to receive Medicaid benefits effective _____.

Recently, I have been made aware that the federal legislation which requires
a reduction in "Improved Pension" benefits but allows an increase in
Personal Needs Allowance (PNA) for veterans with no dependents receiving
Medicaid covered services in approved nursing facilities has been expanded
to include surviving spouses.

I believe that these circumstances apply to me. I am currently receiving a
~~VA pension in the amount of \$~~ _____. Please review my records to
verify my status and notify me of any changes in my benefits.

Sincerely,

Address _____
