

About VA Healthcare

The Best Health Care System in America

It comes as a surprise to some people who had experience with VA health care during the 1970s and 1980s, that this same system is now considered the best medical care in the United States. To illustrate this we quote below articles and comments from the several sources.

BusinessWeek, July 17, 2006 "The Best Medical Care in the Nation
How Veterans Affairs transformed itself -- and what it means for the rest of us"

". . . . Roemer seems to have stepped through the looking glass into an alternative universe, one where a nationwide health system that is run and financed by the federal government provides the best medical care in America. But it's true -- if you want to be sure of top-notch care, join the military."

"The 154 hospitals and 875 clinics run by the Veterans Affairs Dept. have been ranked best-in-class by a number of independent groups on a broad range of measures, from chronic care to heart disease treatment to percentage of members who receive flu shots. It offers all the same services, and sometimes more, than private sector providers."

"To much of the public, though, the VA's image is hobbled by its inglorious past. For decades the VA was the health-care system of last resort. The movies Coming Home (1978), Born on the Fourth of July (1989), and Article 99 (1992) immortalized VA hospitals as festering sinkholes of substandard care. The filmmakers didn't exaggerate. In an infamous incident in 1992, the bodies of two patients were found on the grounds of a VA hospital in Virginia months after they had gone missing. The huge system had deteriorated so badly by the early '90s that Congress considered disbanding it."

"Instead, the VA was reinvented in every way possible. In the mid-1990s, Dr. Kenneth W. Kizer, then the VA's Health Under Secretary, installed the most extensive electronic medical-records system in the U.S. Kizer also decentralized decision-making, closed underused hospitals, reallocated resources, and most critically, instituted a culture of accountability and quality measurements. "Our whole motivation was to make the system work for the patient," says Kizer, now director of the National Quality Forum, a nonprofit dedicated to improving health care. "We did a top-to-bottom makeover with that goal always in mind."

Robert Bazell, Chief science and health correspondent, NBC News Updated: 6:33 p.m. MT
March 15, 2006

"We report a story tonight that is going to turn a lot of heads. The Veterans Administration Health Care System, once famously known for horrendous medical care, now offers what many consider the best health care in the nation. I am sure we will hear

from many of you who have had difficult times with care at the VA. That is understandable, because the improvement in the VA has occurred relatively recently and inevitably many people will be dissatisfied with their treatment at the hands of any medical provider."

"But here is the evidence. In a study two years ago a group of researchers from the RAND Corporation and several medical Centers found that 67 percent of patients in the VA system received "appropriate care" as defined by expert panels on medical practice. Two thirds sounds short of the mark, but in the current issue of the New England Journal of Medicine the same researchers report on a survey of the country that finds only 55 percent of Americans in general are getting appropriate health care. And that number does not vary much with the patients' level of education or income."

"In addition, a telephone survey last January from the University of Michigan found that VA patients rated their satisfaction with care at 83 out of a possible 100 points for inpatient care and 80 out of 100 for outpatient care. By comparison, the same survey found rates of 73 and 75 in the general population. Another indicator comes from the American Legion, which has been surveying its members and finding similar high levels of patient satisfaction."

"Indeed, the biggest complaint about the VA system these days is from people who want in. The VA provides unlimited care for service-related injuries and illnesses, but for other problems veterans must fall below a defined income level. As a result, patients at the VA tend to be poorer and sicker than the rest of the population, which makes the improvements all the more remarkable."

"What happened? The change began with Dr. Kenneth Kizer, who became undersecretary of health for Veterans Affairs in the Clinton administration and has continued in that role during the Bush administration. The VA changed its emphasis from hospital to outpatient care where possible. It also set up genuine prevention programs. As a result, people with conditions like diabetes get the simple measures that can save enormous misery and thousands of dollars in treatment costs. Every patient is assigned a personal physician and the mandate from headquarters is to treat veterans with the respect and dignity they deserve."

"The other big change was a massive shift to electronic medical records. At any VA facility in the country, a doctor or other health professional can access the records of any patient in the system, including lab tests, X-rays and chart notes that can be read easily. The electronic system challenges health providers who seem to be making mistakes, and it allows for a massive collection of data so the VA can know which treatments work and which don't."

"A big advantage for the VA is electronic medical records. The VA has the largest, and one of the most modern systems in the world. When a VA patient visits any facility in the country, the records are there. Indeed, after Hurricane Katrina, many VA patients received uninterrupted care even as they were forced to move."

"'All of the information I need about any of my patients, including their X-rays and their tests, are always available, always accurate, always there in a legible form,' says Gauge."

"The electronic records also allow the VA to track its performance — to quickly learn what works and what doesn't — providing what many say could be a model for health care nationwide."

A quote from Families USA

"A report released Tuesday (December 2006) by the consumer group Families USA says Medicare's prices for seniors' most frequently used drugs are about 58% higher than those provided by the Department of Veterans Affairs."

Percent distribution, by reasons, of veterans who never used VA health care

	Total
Uses other sources for health care	31.8
Did not need any care	23.7
Not aware of the VA health care benefits	21.6
Did not believe self entitled or eligible for health care benefits	20.4
VA care is inconvenient	13.3
Other	9.5
Did not need or want assistance from the VA	8.0
Never considered getting any health care from the VA	5.1
Didn't think VA health care would be as good as that available elsewhere	3.1
Applying for health care benefits too much trouble or red tape	3.0
Did not know how to apply for health care benefits	2.3
Number of veterans [†]	16,396,700

[†] Estimate of number of veterans is rounded to the nearest hundred; percent estimates will not sum to more than 100 because veterans could indicate more than one reason.

NOTE: This table only includes responses of those who indicated they had never used VA health care.

Why the VA Health Care System Works so Well

Actually it's not that VA is such a marvelous system since any large-scale organization employing over 200,000 people is bound to have its inefficiencies. VA simply comes closer to the mark of providing excellent care than the rest of the health-care providers in the country. One big reason is the veteran system does not rely on insurance reimbursements so money saved through efficient operation remains in the system and does not transfer to insurance companies. This type of operational structure encourages innovation and change.

However, being a single-payer health plan alone would not necessarily result in a better system. The outstanding reawakening of VA health care is largely a result of the vision and leadership of Doctor Kizer and his successor. Here are some of the operational advantages that make VA health care so successful.

As a government entity, the agency cannot be sued by patients who have been mistreated. This obviously saves the time and money involved in lawsuits. However, in order to be responsive to medical errors, doctor Kizer instituted the "Sorry Now" program that holds staff accountable for their actions and provides damage awards to patients.

Veterans who are part of the system have the opportunity to remain with the system throughout their lives. This allows VA to practice preventative medicine by scheduling regular checkups, performing regular lab tests and intervening before a medical condition becomes too advanced. The provider/contractor insurance reimbursement model used in the United States typically does not allow for this type of preventative medicine.

An electronic records system provides the opportunity to practice outcome based medicine which has become the Holy Grail of all health-care systems. The computerized records allow tracking outcomes for various medical conditions and finding those that work best. This weeds out expensive procedures that are no more effective than other less expensive ones. Prescriptions for medications are also tracked on the computer and potential drug interactions are avoided. According to studies, VA has the lowest drug interaction incidents and deaths in the country

The electronic records also prevent duplication of expensive medical tests. Some surveys indicate that, 60% of the time, private sector providers order duplicates or triplicates of the same test. This is because paper records make it difficult or almost impossible to track tests between different care providers. Even in the same hospital, estimates are that one out of five tests are unnecessarily reordered.

Finally, electronic records help the veterans health system to maintain a more cost effective and smaller drug formulary. Fewer categories of drugs allow VA to negotiate with drug companies for larger quantities at a lower price. If an existing, less expensive drug is proven through electronic records computer data to be just as effective as newer more expensive medicines, then obviously the older medicine will be favored.

Proponents of the new Medicare drug plans criticize VA for limiting drug choice to only about 1,300 medications where some Medicare plans allow 4,500 different drugs or more. VA would probably argue that such a wide choice is unnecessary and that many newer more expensive drugs are simply analogues of less expensive versions that have been around for a long time.

Cost of overhead and administration is another issue that makes VA a better system. Our country's private insurance model results in insurers eating up a great deal of their premium income in unproductive overhead costs. It is estimated that private insurers spend anywhere from 20% to 30% of their premium income on advertising, agent commissions, insurance administrative oversight costs, expensive claims and records tracking systems, taxes, profit, and dividends for shareholders. VA has none of these additional cost burdens except for administrative costs associated with maintaining the system.

There is also evidence that the morale of employees in VA hospitals and outpatient clinics is especially high because of the pride those employees take in providing quality care. Motivated

employees can be a major factor in providing care more effectively and more efficiently thus saving money.

What is Veterans Health Care?

The Veterans Health Administration is the largest single provider of medical care in the United States. It's 22 regions with 154 hospitals and their associated 875 outpatient clinics offer the following services.

- ◆ Hospital, outpatient medical, dental, pharmacy and prosthetic services
- ◆ Domiciliary, nursing home, and community-based residential care
- ◆ Sexual trauma counseling
- ◆ Specialized health care for women veterans
- ◆ Health and rehabilitation programs for homeless veterans
- ◆ Readjustment counseling
- ◆ Alcohol and drug dependency treatment
- ◆ Medical evaluation for disorders associated with military service in the Gulf War, or Treatment for exposure to Agent Orange, radiation, and other environmental hazards
- ◆ HISA grants
- ◆ Other special benefits

An example of one of VA's 22 regions is Region 19.-- geographically one of the largest in the system. Headquartered in Denver this region covers the states of Montana, Wyoming, Utah, Colorado and part of Nevada. Region 19 includes three health-care system hospitals and three satellite hospitals. There are also 33 outpatient clinics in urban centers scattered throughout the five states and 7 Vet Centers in urban areas that provide special services for veterans who served in combat.

The six hospitals in Region 19 offer a wide range of medical specialties and procedures and it is unlikely that any patient would have to be referred to the private care community for any services not offered by these hospitals. But if specialized services are not offered in the region, VA hospitals, region to region, share responsibilities for very specialized treatment and patients needing these specialties not offered in their region are referred to other VA facilities that do offer the care.

Hospitals in the VA system are typically associated with a local medical College where feasible. By acting as teaching hospitals the VA system has access to some of the best doctors and cutting edge medical treatments. In region 19, the Denver Medical Center is affiliated with the medical school, pharmacy, and nursing schools of the University of Colorado Health Sciences Center. The Fort Harrison facility near Helena, Montana is affiliated with nursing schools, pharmacy schools and physician-assistant schools in over 30 universities in the four adjoining states. The Salt Lake City Regional Medical Center is affiliated with the University of Utah Medical School which is located less than a mile away.

One of the disadvantages, in the past, of joining the health system was the difficulty of getting to a regional medical center for treatment. With the installation of outpatient clinics within easy

driving distance for health-care beneficiaries, this challenge has become less of a problem in the past few years. The challenge still remains that major hospitalization, surgery and other specialized treatment must be obtained at a regional hospital. In the case of region 19 this could involve driving distances up to 600 miles one way to obtain the appropriate care.

VA is accommodating to certain low income patients who must drive long distances and the facilities offer, at no charge or reasonable charge, "hoptel" rooms in the hospital or nearby as an alternative to staying in a motel or hotel. Low income patients are also reimbursed at \$0.285 per mile for travel to the nearest VA health care facility that can provide their needed care.

Other services are also available to certain qualifying veterans who may receive dental care, vision care and hearing aids. In addition, Vet Centers provide special counseling for active-duty veterans who served in combat zones. VA is also the most experienced healthcare provider in the country in services for rehabilitating patients with missing limbs, with burn injuries or with other complications due to combat injuries.

Regional VA hospitals often include associated nursing facilities or domiciliary rooms. They will also contract for home health care and hospice services if needed. For those hospitals that don't have nursing homes or domiciliary, contracts for these services are maintained with facilities in the local community.

Emergency Care in Non-VA facilities is provided as a safety net for veterans under specific conditions. If the non-VA emergency care is for a service-connected condition or, if the veteran has been enrolled with health services at least 24 months and has no other health care coverage then emergency care is covered. Also, it must be determined that VA health care facilities were not feasibly available; that a delay in medical attention would have endangered life or health, and that the veteran remains personally liable for the cost of the services in case of a dispute.

Outpatient Pharmacy Services

VA provides free outpatient pharmacy services to:

1. Veterans with a service-connected disability of 50 percent or more.
2. Veterans receiving medication for service-connected conditions.
3. Veterans whose annual income does not exceed the maximum annual rate of the VA pension.
4. Veterans enrolled in priority group 6 who receive medication for service-connected conditions.
5. Veterans receiving medication for conditions related to sexual trauma while serving on active duty.
6. Certain veterans receiving medication for treatment of cancer of the head or neck.
7. Veterans receiving medication for a VA-approved research project.
8. Former prisoners of war.

Veterans receiving pension can also have their prescriptions from doctors in the private sector provided by a VA pharmacy for free or with co-pay depending on their income.

A face-to-face interview with a pharmacy specialist must be conducted with any new prescription. This is part of the process that helps VA control unnecessary drug reactions or interactions with other drugs. Subsequent refills can be ordered on the phone and will be sent through the mail or picked up in person.

Veterans Health Administration Long Term Care Benefits

The following was taken from the Department of Veterans Affairs fact sheet dated January 2005 and distributed by the office of public affairs media relations

VA Long-Term Care

The Department of Veterans Affairs (VA) offers a spectrum of geriatric and extended care services to veterans enrolled in its health care system. More than 90 percent of VA's medical centers provide home- and community-based outpatient long-term care programs. This patient-focused approach supports the wishes of most patients to live at home in their own communities for as long as possible. In addition, nearly 65,000 veterans will receive inpatient long-term care this year through programs of VA or state veterans homes.

Non-Institutional Care

Veterans can receive home-based primary care, contract home health care, adult day health care, homemaker and home health aide services, home respite care, home hospice care and community residential care. In fiscal year 2003, 50 percent of VA's total extended care patient population received care in non-institutional settings, including:

Home-Based Primary Care

This program (formerly Hospital Based Home Care) began in 1970 and provides long-term primary medical care to chronically ill veterans in their own homes under the coordinated care of an interdisciplinary treatment team. This program has led to guidelines for medical education in home care, use of emerging technology in home care and improved care for veterans with dementia and their families who support them. In 2003, home-based primary care programs were located in 76 VA medical centers.

The Contract Home Health Care

Professional home care services, mostly nursing services, are purchased from private-sector providers at every VA medical center. The program is commonly called "fee basis" home care.

Adult Day Health Care (ADHC)

Adult Day Health Care programs provide health maintenance and rehabilitative services to veterans in a group setting during daytime hours. VA introduced this program in 1985. In 2004, VA operated 21 programs directly and provided contract ADHC services at 112 VA medical centers. Two state homes have received recognition from VA to provide ADHC, which has recently been authorized under the State Home Per Diem Program.

Homemaker and Home Health Aide (H/HHA)

VA began a program in 1993 of health-related services for service-connected veterans needing nursing home care. These services are provided in the community by public and private agencies under a system of case management provided directly by VA staff. VA purchased H/HHA services at 122 medical centers in 2004.

Community Residential Care

The community residential care program provides room, board, limited personal care and supervision to veterans who do not require hospital or nursing home care but are not able to live independently because of medical or psychiatric conditions, and who have no family to provide care. The veteran pays for the cost of this living arrangement. VA's contribution is limited to the cost of administration and clinical services, which include inspection of the home and periodic visits to the veteran by VA health care professionals. Medical care is provided to the veteran primarily on an outpatient basis at VA facilities. Primarily focused on psychiatric patients in the past, this program will be increasingly focused on older veterans with multiple chronic illnesses that can be managed in the home under proper care and supervision.

Respite Care

Respite care temporarily relieves the spouse or other caregiver from the burden of caring for a chronically ill or disabled veteran at home. In the past, respite care admission was limited to an institutional setting, typically a VA nursing home. The Veterans Millennium Health Care and Benefits Act expanded respite care to home and other community settings, and home respite care was provided at 15 VA medical centers in fiscal year 2003. Currently, respite care programs are operating in 136 VA medical centers, with each program typically providing care to approximately five veterans on any given day. Respite care is usually limited to 30 days per year.

Home Hospice Care

Home hospice care provides comfort-oriented and supportive services in the home for persons in the advanced stages of incurable disease. The goal is to achieve the best possible quality of life through relief of suffering, control of symptoms, and restoration or maintenance of functional capacity. Services are provided by an interdisciplinary team of health care providers and volunteers. Bereavement care is available to the family following the death of the patient. Hospice services are available 24 hours a day, seven days a week. VA provided home hospice care at 73 medical centers in fiscal year 2003, the first year the service was offered.

Domiciliary Care

Domiciliary care is a residential rehabilitation program that provides short-term rehabilitation and long-term health maintenance to veterans who require minimal medical care as they recover from medical, psychiatric or psychosocial problems. Most domiciliary patients return to the community after a period of rehabilitation.

Domiciliary care is provided by VA and state homes. VA currently operates 43 facilities. State homes operate 49 domiciliaries in 33 states. VA also provides a number of psychiatric residential rehabilitation programs, including ones for veterans coping with post-traumatic stress disorder and substance abuse, and compensated work therapy or transitional residences for homeless chronically mentally ill veterans and veterans recovering from substance abuse.

Telehealth

For most of VA's non-institutional care, telehealth communication technology can play a major role in coordinating veterans' total care with the goal of maintaining independence. Telehealth offers the possibility of treating chronic illnesses cost-effectively while contributing to the patient satisfaction generally found with care available at home.

Geriatric Evaluation and Management (GEM)

Older veterans with multiple medical, functional or psychosocial problems and those with particular geriatric problems receive assessment and treatment from an interdisciplinary team of VA health professionals. GEM services can be found on inpatient units, in outpatient clinics and in geriatric primary care clinics. In 2004, there were 57 inpatient GEM programs and more than 195,000 visits to GEM and geriatric primary care clinics.

Geriatric Research, Education and Clinical Centers (GRECC)

These centers increase the basic knowledge of aging for health care providers and improve the quality of care through the development of improved models of clinical services. Each GRECC has an identified focus of research in the basic biomedical, clinical and health services areas, such as the geriatric evaluation and management program. Medical and associated health students and staff in geriatrics and gerontology are trained at these centers. Begun in 1975, there are now 21 GRECCs in all but two of VA's health care networks.

Nursing Home Care

VA's nursing home programs include VA-operated nursing home care units, contract community nursing homes and state homes. VA contracts with approximately 2,500 community nursing homes. The state home program is growing and currently encompasses 114 nursing homes in 47 states and Puerto Rico. In fiscal year 2003, approximately 70 percent of VA's institutional nursing home care occurred in contract community and state home nursing homes.

Nursing home care units are located at VA hospitals where they are supported by an array of clinical specialties. The community nursing home program has the advantage of being offered in many local communities where veterans can receive care near their homes and families. VA contracts for the care of veterans in community nursing homes approved by VA. The state home program is based on a joint cost-sharing agreement between VA, the veteran and the state.

Who is Eligible for Nursing Home Care

- ◆ Any veteran who has a service-connected disability rating of 70 percent or more;

- ◆ A veteran who is rated 60 percent service-connected and is unemployable or has an official rating of "permanent and total disabled;"
- ◆ A veteran with combined disability ratings of 70 percent or more;
- ◆ A veteran whose service-connected disability is clinically determined to require nursing home care;
- ◆ Nonservice-connected veterans and those officially referred to as "zero percent, noncompensable, service-connected" veterans who require nursing home care for any nonservice-connected disability and who meet income and asset criteria; or
- ◆ If space and resources are available, other veterans on a case-by-case basis with priority given to service-connected veterans and those who need care for post-acute rehabilitation, respite, hospice, geriatric evaluation and management, or spinal cord injury.

HISA Grants

A local Regional Medical Center can pay veterans a grant to allow for home improvement and structural alterations -- HISA grants. These are necessary alterations in order to accommodate disability in the home. As a general rule these grants are typically provided to veterans who are receiving VA health care and who are service-connected disabled. Certain service-connected disabled veterans can receive a lifetime benefit of \$4,200 for home improvement projects to aid with disability.

A clause in the eligibility statutes opens the door for veterans who are on Medicaid or receiving pension with aid and attendance or housebound ratings to also receive these grants. Also very low income -- means tested veterans -- may also receive the grant. For this class of veterans the grant is a lifetime payment of \$1,200.

Although they are reluctant to provide these grants to veterans who are not in the health-care system, the medical center HISA committee will do so if adequate documentation is provided to justify the grant.

Millennium Act and VA's Efforts to Increase Long-Term Care Capacity

Public Law 106-117, the Veterans Millennium Health Care and Benefits Act, enacted in November 1999, requires VA to provide extended care services in its facilities, including nursing home care, domiciliary, home-based primary care and adult day health care, with the goal of providing as much care as in 1998.

The budget for VA long-term care grew by more than \$850 million between fiscal year 1998 and fiscal year 2003, and the number of full-time employees increased in nursing home care units and outpatient programs.

Enrolling in the Veterans Health Care System

Those seeking a VA benefit for the first time must submit a copy of their service discharge form (DD-214, DD-215, or for WWII veterans, a WD form), which documents service dates and type of discharge. The veteran's service discharge form should be kept in a safe location accessible to the veteran and next of kin or designated representative.

For most veterans, entry into the VA health care system begins by applying for enrollment. Application is submitted through VA Form 10-10EZ, Application for Health Benefits, which may be obtained from any VA health care facility or regional benefits office, or by calling 1-877-222-VETS (8387). Once enrolled, veterans can receive services at VA facilities anywhere in the country.

Veterans who are enrolled for VA health care are afforded privacy rights under federal law. VA's Notice of Privacy Practices is available at the VA health care Web site.

During enrollment, veterans are assigned to one of the priority groups VA uses to balance demand with resources. Changes in available resources may reduce the number of priority groups VA can enroll. If this occurs, VA will publicize the changes and notify affected enrollees. Veterans will be enrolled to the extent Congressional appropriations allow. If appropriations are limited, enrollment will occur based on the following priorities: (Please note that lower priority numbers generally mean no co-pays for medical services i.e. services are free)

Group 1: Veterans with service-connected disabilities rated 50 percent or more and/or veterans determined by VA to be unemployable due to service-connected conditions.

Group 2: Veterans with service-connected disabilities rated 30 or 40 percent.

Group 3: Veterans with service-connected disabilities rated 10 and 20 percent, veterans who are former Prisoners of War (POW) or were awarded a Purple Heart, veterans awarded special eligibility for disabilities incurred in treatment or participation in a VA Vocational Rehabilitation program, and veterans whose discharge was for a disability incurred or aggravated in the line of duty.

Group 4: Veterans receiving aid and attendance or housebound benefits and/or veterans determined by VA to be catastrophically disabled. Some veterans in this group may be responsible for co-pays.

Group 5: Veterans receiving VA pension benefits or eligible for Medicaid programs, and non service-connected veterans and non compensable, zero percent service-connected veterans whose annual income and net worth are below the established VA means test thresholds.

Group 6: Veterans of the Mexican border period or World War I; veterans seeking care solely for certain conditions associated with exposure to radiation or exposure to herbicides while serving in Vietnam; for any illness associated with combat service in a war after the Gulf War or during a period of hostility after Nov. 11, 1998; for any illness associated with participation in tests conducted by the Defense Department as part of Project 112/Project SHAD; and veterans with zero percent service-connected disabilities who are receiving disability compensation benefits.

Group 7: Non service-connected veterans and non-compensable, zero percent service-connected veterans with income above VA's national means test threshold and below VA's geographic means test threshold, or with income below both the VA national threshold and the VA geographically based threshold, but whose net worth exceeds VA's ceiling (currently \$80,000) who agree to pay co-pays.

Group 8: All other non service-connected veterans and zero percent, non-compensable service-connected veterans who agree to pay co-pays. (Note: Effective Jan. 17, 2003, VA no longer enrolls new veterans in priority group 8).

Percent distribution of veterans by health care enrollment priority groups

	Total
Priority group 1	2.9
Priority group 2	2.3
Priority group 3	5.7
Priority group 4	0.1
Priority group 5	21.1
Priority group 6	11.2
Priority group 7	56.1
Unknown	0.6
Total	100.0
Number of Veterans	25,196,000

Copayments for Medical Services -- Veterans Means Testing

VA uses means testing to determine a veteran's level of copayments for medical services and in addition to accept or deny certain veterans applying for the first-time. Prior to 2003 VA allowed veterans to apply for medical coverage with any income level who were not required to meet means testing. These are veterans classified as priority 8. VA will no longer accept applications from these veterans. As the demand for services grows faster than funding, VA, in the future, may also exclude priority 7 veterans from enrolling in the system.

Although there are exceptions, as a general rule, veterans in priority categories 2 through 6 do not have to pay co-pays for the following services

- ◆ inpatient services,
- ◆ outpatient services or
- ◆ long term care services.

In other words these services are free.

Veterans in priority categories 7 and 8 generally do have to pay co-pays but there are some exceptions if the veteran meets VA's mean test or the geographic means test.

In some states VA's mean test for maximum income is less than the geographic means test and in other states it is just the opposite.

The most important thing to remember about co-pays is that a veteran receiving VA pension is classified a priority 5 veteran. Priority 5 veterans receive free; inpatient care,

outpatient care and long term care. They have no copayments for medical services. The priority 5 veteran must pay VA prescription drug co-pays unless that veteran has a household income below the current pension maximum income rate. Those pension incomes for 2010 are found in the first column of the table below. Also note that priority 5 veterans do not have to pay any more than \$960 a year for their prescriptions from a VA pharmacy if they do have to pay for drugs.

Veterans Means Test for Co-Pays (Low Income Financial Test) -- Financial Test Year 2010

Veteran with	Free VA prescriptions and travel benefits (maximum allowable rate) Pension Rates	Free VA Health Care (0% service connected {noncompensable} and nonservice-connected veterans only)	Medical Expenses Deduction (5% of maximum allowable pension rate from previous year)
0 dependents	\$11,830 or less	\$29,402 or less	\$559
1 dependent	\$15,493 or less	\$35,284 or less	\$732
2 dependents	\$17,513 or less	\$37,304 or less	\$828
3 dependents	\$19,533 or less	\$39,324 or less	\$923
4 dependents	\$21,553 or less	\$41,344 or less	\$1,019
For each additional dependent add:	\$2,020	\$2,020	5% of Maximum Allowable Pension Rate
Medicare Deductible: \$1,068		Income & Asset net worth: \$80,000	

The GMT Income Threshold Test (geographic means test) could be higher or lower than the VA's means test. To obtain GMT income thresholds per state for purposes of qualifying under an enrollment priority go to

<http://www.va.gov/healtheligibility/Library/pubs/GMTIncomeThresholds/>

Copayment Rates

Outpatient Services*

Basic Care Services—services provided by a primary care clinician **\$15/visit**

Specialty Care Services—services provided by a clinical specialist such as surgeon, radiologist, audiologist, optometrist, cardiologist, and specialty tests such as magnetic resonance imagery (MRI), computerized axial tomography (CAT) scan, and nuclear medicine studies **\$50/visit**

*Copay amount is limited to a single charge per visit regardless of the number of health care providers seen in a single day. The copay amount is based on the highest level of service received. There is no copay requirement for preventive care services such as screenings and immunizations.

Medications

For each 30-day or less supply of medication for treatment of nonservice-connected condition **\$8**

(Veterans in Priority Groups 2 through 6 are limited to a **\$960** annual cap)

VA does not charge a copay for medications used for treatment of —

- ◆ A veteran who is 50% or more service-connected
- ◆ A veteran who has been determined by VA as unemployable due to their service-connected conditions
- ◆ A veteran's specific service-connected disability
- ◆ A veteran who is a former POW
- ◆ A veteran whose income is below the maximum annual rate for VA pension
- ◆ A veteran's conditions related to a veteran's exposure to:
 - Herbicides during the Vietnam-era, OR
 - Ionizing radiation during atmospheric testing, OR
 - Ionizing radiation during the occupation of Hiroshima and Nagasaki
- ◆ A service-related condition of a veteran who served:
 - In the Gulf War, OR
 - In combat in a war after the Gulf War, OR
 - During a period of hostility after November 11, 1998
- ◆ A veteran's military sexual trauma
- ◆ A veteran's cancer of head or neck caused by nose or throat radium treatments given while in the military
- ◆ A veteran participating in a VA approved research project

Inpatient Services**

Inpatient copay for first 90 days of care during a 365-day period **\$1,068**

Inpatient Copay for each additional 90 days of care during a 365-day period **\$534**

Per Diem Charge **\$10/day**

**Based on geographically-based means testing, lower income veterans who live in high-cost areas may qualify for a reduction of 80% of inpatient copay charges.

Long-Term Care#

Nursing Home Care/Inpatient Respite Care/Geriatric Evaluation maximum of **\$97/day**

Adult Day Health Care/Outpatient Geriatric Evaluation or Outpatient Respite Care maximum of **\$15/day**

Geriatric Evaluation

Domiciliary Care maximum of **\$5/day**

#Copays for Long-Term Care services start on the 22nd day of care during any 12-month period—there is no copay requirement for the first 21 days. Actual copay charges will vary from veteran to veteran depending upon financial information submitted on VA Form 10-10EC.