

To: All Nursing Facility Providers

Subject: Reduction in Veterans Improved Pension  
Benefits for Surviving Spouses

Effective: Immediately

Medicaid Nursing Facility Services Bulletin No: 91-8 dated July 1, 1991, advised nursing facilities of the reduction in veteran pensions for certain veterans; specifically veterans receiving Medicaid covered services in an approved nursing facility who have neither a surviving spouse nor child and receive an Improved Pension benefit. The reduced Improved Pension is not used to offset the cost of care, instead it becomes the individual's Personal Needs Allowance (PNA).

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 nursing 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 notification in May 1993 to individuals who would be affected by this reduction, which took effect 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.

The amount of the reduced Improved Pension will become the veteran's 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 the PNA up to the \$35.00, for pensions below that amount. County Welfare Agencies (CWA) have been instructed to note the Improved Pension on the PA-3L forms. The long term care billing system can accommodate up to a maximum of \$90.00, if designated in this manner.

To assist the counties with outreach efforts, Division staff have forwarded a list of veterans believed to be receiving the Improved Pension. Also provided were system generated PA-3L forms for confirmation of the Improved Pension. If appropriate, your facility will receive copies of the PA-3L from the CWA.

Accordingly, if you have not received a PA-3L for any veteran or spouse who meets this criteria and whose benefit is affected, please contact them.

The CWA will also send a copy of the changed PA-3L to the Bureau of Claims and Accounts for submission into the Unisys system. Once the PA-3L is in the system, any paid claims which listed the patient payment amounts incorrectly will need to be adjusted using the MMIS Claim Adjustment Request Form (FD-999).

If the patient payment amount was left blank on the original TAD, the claim will be adjusted automatically through the billing system.

EXAMPLE: The original claim listed the patient payment as \$540 and the PA-3L also was \$540. After the Improved Pension deduction, the available income is \$485.00. You will need to complete an FD-999 to change the patient payment to \$485.00.

If in the same example, the block for the patient payment amount on the TAD had been left blank, once the new PA-3L amount is entered into the system, the claim will automatically be recalculated and adjusted to reflect the reduced PA-3L amount.

Your cooperation in monitoring and processing these changes will contribute significantly to maintaining the integrity of our system. Questions regarding this Newsletter should be directed to Ellen Keane at the Bureau of Claims and Accounts (609) 588-2885.

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(BLUE TAB MARKED "5")