

# VA Pension Programs & FDC Processing



# PMC Representatives

Chris Nolan - Coach, Appeals Team

Elizabeth Gliske - Coach, Maintenance Team

# 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**

**ADP – Average Days Pending**

## 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**

# 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?

