

# VA Benefits Not Just for Low-Income Families

By Wesley E. Wright and Molly Dear Abshire, as published in the Houston Chronicle Senior Living Section on February 17, 2010.

Having worked with public benefit programs for many years, we are often struck by the numerous myths surrounding such programs, many of which are often widely believed to be true.

One such myth is that only the very poor can qualify for Medicaid. Another is that a veteran and his family must have a low income in order to qualify for benefits from the Department of Veterans Affairs (VA). Both of these common assumptions are false.

We understand how such myths originate and why people often accept them as true. Many types of public benefit programs, such as Medicaid and certain types of VA benefits, are indeed based on financial need.

This means the governmental agencies that administer these programs consider the applicant's resources and income in determining his/her entitlement to benefits. What the public often does not realize, however, is that public benefit programs, such as Medicaid and VA, sometimes allow generous resource and income disregards. This means that certain resources and income of the applicant may not be considered in the eligibility determination.

The VA administers a myriad of benefit programs, including compensation (for service-connected disabilities), dependency and indemnity compensation or "DIC" (for survivors), improved pension (for non-service-connected disabilities), and educational assistance. Persons who are severely impaired (owing to either age or disability) may qualify for additional benefits in the form of a housebound allowance or aid and attendance ("A&A"). The A&A benefit is for veterans and their dependants who require the services of an attendant.

In evaluating an applicant's eligibility for improved pension and A&A benefits, the VA no longer has a fixed limit on net worth (i.e., the value of the applicant's estate). Instead, if the applicant's monthly income is less than his necessary expenses, the VA considers whether the applicant's resources (e.g., money in the bank, etc.) are sufficient to pay his/her monthly income shortfall over his/her life expectancy. The VA does set a specific income cap for improved pension and A&A benefits. However, before the applicant's income is tested against that cap, the VA deducts from the applicant's income the amount of his/her un-reimbursed medical expenses (including assisted living and nursing home charges).

Since the cost of institutional care is extremely high, this often reduces the applicant's countable income to \$0.00, meaning that he/she will qualify for the maximum improved pension benefit plus A&A. Thus, applicants with very high income can qualify for VA benefits, especially if the applicant requires institutional care, because the VA does not consider all of his/her income in determining entitlement to VA benefits.

But a word to the wise is in order. Public benefit programs are enormously complex. Not all public benefit programs have generous resource and income disregards, nor will such disregards apply in each and every case.

For example, Medicaid is not one program at all, but a catch-all term for a whole host of programs targeting different populations and having vastly different requirements. The same can be said for the VA. Moreover, the rules for these programs are in a constant state of flux, and it is easy to confuse the rules of one program with those of another. For these reasons, one is always well-advised to contact an elder law attorney before plunging into the unforgiving sea of public benefits. It pays to ensure that your interests, not those of the government, are protected by all legal means available.