



DEPARTMENT OF VETERANS AFFAIRS

8320-01

Discontinuance of Annual Financial Assessments

AGENCY: Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: This Notice informs the public that the Department of Veterans Affairs (VA) will no longer request that certain veterans enrolled in the VA health care system annually submit income and asset information. VA uses such information to verify a veteran's continuing eligibility for certain health care benefits; however, VA is now able to get similar information through a means less burdensome on veterans. Moreover, annual, routine collection of this information has not significantly impacted veteran enrollment, and places an unwarranted burden on affected veterans. Therefore, VA will discontinue requesting that veterans submit an annual financial assessment following initial enrollment.

FOR FURTHER INFORMATION CONTACT: Kristin J. Cunningham, Director Business Policy, Chief Business Office (10NB6), Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420; (202) 461-1599. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: The Veterans Health Care Eligibility Reform Act of 1996, Pub. L. 104-262, made major changes in the laws governing eligibility for VA health care benefits. This law added a new section 38 U.S.C. 1705, which established a patient enrollment system to manage the provision of health care services. This statute requires VA to place an enrolled veteran into a defined priority group. Veterans

enrolled in the VA health care system are placed in priority groups based on criteria found in 38 U.S.C. 1705, 1710 and 38 CFR 17.36. Enrollment in three of these priority groups is based on the income of the veteran. Priority Group 5 includes, among others, veterans who are determined by VA to be unable to defray the expenses of necessary care. Priority Group 7 includes veterans with incomes below the geographic means test income thresholds and who agree to pay the applicable copayment. Priority Group 8 includes veterans with gross household incomes above the VA national income threshold and the geographically-adjusted income threshold for their resident location and who agree to pay copayments.

VA has established a means test program to determine when a veteran's income would meet the requirements for enrollment in one of the priority groups mentioned above. The means test developed by VA requires a veteran to submit a financial assessment (38 CFR 17.36(d)(3)(iv)) using the Application for Health Benefits, VA Form 10-10EZ. VA verifies that self-reported financial information through a computer matching of income reported to the Internal Revenue Service (IRS) and Social Security Administration (SSA). VA has authority to obtain income information from IRS and SSA under 38 U.S.C. 5317. IRS and SSA have authority to share this information with VA under 26 U.S.C. 6103(l)(7)(D)(viii).

VA requires a veteran whose assignment to a priority group is based on income to submit a financial assessment when initially enrolled and then requests resubmission of this information each year thereafter on the enrollment anniversary. As a reminder of this requirement, VA mails a Health Benefits Renewal (VA Form 10-10EZ) to the veteran 60 days before the anniversary date, and a second notification 30 days before

the anniversary date, if the veteran has not yet submitted the requested information. If the veteran's financial assessment information is not updated prior to the anniversary date, VA asks the veteran to update the financial assessment when they arrive for their next health care appointment.

To accurately complete the financial assessment portion of the VA Form 10-10EZR, the veteran must maintain and have ready access to information on gross household income, assets, and expenses for the previous year. The average time required for a veteran to complete the financial assessment renewal form is 24 minutes. Of the approximately 2.1 million veterans required to submit annual financial assessments, only about ten percent have a change in income or assets sufficient to affect the veteran's priority group placement. For the approximately 90 percent of veterans who have no change in income or assets, the annual reporting requirement is an unnecessary burden.

VA intends to eliminate this burden by changing the financial reporting practices. Veterans will be requested to submit financial assessment information using a VA Form 10-10EZ only during the initial enrollment process. VA will continue to receive income information from IRS and SSA, which will then be compared to the information initially provided by the veteran. A veteran will be asked to provide further income and asset information or to verify the data provided by IRS or SSA only in those cases where VA identifies a change to the veteran's income that would result in a change to the veteran's priority group status. However, any veteran who has information that he or she believes will affect his or her enrollment status may submit that information at any time using VA Form 10-10EZR.

Because this change in policy requires revision of current VA forms and processes, including updating existing information technology, it will be implemented in two phases. VA anticipates that Phase I, affecting current enrollees, will be implemented by December 31, 2013. During Phase I, we will eliminate the need for current enrollees to submit the annual financial assessment. VA will use the income matching process from IRS and SSA to determine a veteran's income. Prior to implementation VA will send correspondence to affected veterans notifying them of this change. Phase II, which will include new enrollees, is targeted after Phase I is completed. During Phase II, VA will discontinue the requirement that new enrollees placed in Priority Group 5, 7, or 8 provide an annual update of financial assessment information. Again, we will compare the financial assessment initially provided by the new enrollee against the IRS and SSA data to determine income information and priority group placement for new enrollees.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Jose D. Riojas, Chief of Staff, Department of Veterans Affairs, approved this document on October 17, 2013, for publication.

Dated: October 21, 2013

William F. Russo, Deputy Director,
Regulation Policy and Management,
Office of the General Counsel,
Department of Veterans Affairs.

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