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News Release

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VA Sets New Extended-Care Copayments

WASHINGTON — Some veterans without service-related medical problems will be charged new copayments for extended care, the Secretary of the Department of Veterans Affairs (VA) announced recently. The copayments will be individually calculated and based on the veteran's ability to pay.

"VA was mandated by Congress in the Millennium Health Care and Benefits Act to initiate extended-care copayments," said Secretary of Veterans Affairs Anthony J. Principi. "However, we wanted to ensure that each veteran's situation was evaluated so that none suffered financial hardship."

The new copayment is expected to affect between 2,000 and 3,000 veterans currently receiving VA extended care. Copayments will be individually tailored to the economic situation of veterans and their families.

The following veterans will not be required to make extended-care copayments:

- · veterans with any compensable service-connected disability,
- veterans whose incomes are below the VA single pension level of \$9,556, and
- veterans who have received extended care from VA continuously since November 1999.

Currently, higher income, nonservice-connected veterans pay \$5 per day, plus \$812 (the Medicare deductible) for each 90 days of nursing home care. Billing for the new copayments will begin the end of July.

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Extended Care 2/2/2/2

Under the new regulations, veterans will get the first 21 days of care free in any 12-month period. After that, the maximum that veterans could pay is:

- \$97 for each day of nursing home care,
- \$15 for each day of adult day health care,
- \$5 for each day of domiciliary care,
- \$97 for each day of institutional respite care,
- \$15 for each day of non-institutional respite care,
- \$97 for each day of institutional geriatric evaluation,
- \$15 for each day of non-institutional geriatric evaluation.

A complex formula will enable VA to individualize the copayments, with amounts varying from veteran to veteran. Among the factors used to determine the copayment will be the veteran's income, expenses and assets, as well as a daily \$20 allowance.

For example, a veteran will be allowed to keep enough money to pay the mortgage or rent on a home, land, farm or ranch; to pay for an automobile, education, utilities, taxes and insurance; plus a daily \$20 allowance each for the veteran and spouse. After the first 21 days of care, which are free, veterans will make predetermined, individual copayments. These could vary from the maximum of \$97 a day to as little as \$97 a month, depending on the veteran's assets and expenses.

"This personalized touch will cushion the impact of extended-care copayments on veterans and their families. Additionally, we hope that the new copayments will permit us to extend care to many more veterans," said Principi.

Principi added that the new regulations also expand VA's medical benefits package to include outpatient geriatric evaluation, adult day health care and respite care.

"All of these measures are part of VA's commitment to provide a treatment plan customized to each veteran's health care needs," the Secretary added. "Veterans will have access to a continuum of care delivered in the most appropriate setting, without devastating the family financially."