

**DEPARTMENT OF HEALTH SERVICES**

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May 26, 1998



TO: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 98-21

**TREATMENT OF AID AND ATTENDANCE PAYMENTS BY THE VETERANS  
ADMINISTRATION TO INSTITUTIONALIZED VETERANS**

This All County Welfare Directors Letter (ACWDL) communicates to counties a change in Medi-Cal policy regarding the treatment of Aid and Attendance (AA) payments from the Veterans Administration (VA) received by veterans in nursing facilities. This policy change also applies to veterans in state operated veterans homes in Yontsville and Barstow. The policy described below must be applied to new cases no later than August 1, 1998. No later than August 1, 1998, the policy described below will also be applied to continuing cases as counties become aware of cases affected by this policy, but no later than the eligibility redetermination date for the case.

New Policy For Institutionalized Veterans With Spouse or Minor Child Who Receive Aid and Attendance Payments: For new and continuing Medi-Cal cases with an institutionalized veteran with a spouse or minor child, counties will exempt any amount of the VA payments received which consists of AA. This policy also applies to widows of veterans who receive an augmented AA payment amount and have a minor child at home.

Clarification of Existing Policy For Institutionalized Veterans Without Spouse or Minor Child: For new and continuing Medi-Cal cases with an institutionalized veteran without a spouse or minor child, counties will exempt the first \$90 of AA payments received by the veteran. If the veteran's aid and attendance payment exceeds \$90, that portion of the payment which exceeds \$90 will be applied toward the nursing facility care.

AA is a third party liability (TPL) payment. Except when exempt, TPL payments must be used to defray Medi-Cal payments toward the cost of institutional care and are subject to capture by the DHS for this purpose. To ensure that the nursing care facility in which a beneficiary receiving a non-exempt AA payment is not shortchanged, and to obviate the need of subjecting the beneficiary receiving the non-exempt AA to the recovery process, DHS will capture non-exempt AA payments by adding such payments to the SOC.

VA Benefits and Aid and Attendance: Counties will follow their existing procedures to confirm which portion of the VA benefit is AA. Medi-Cal policy regarding other kinds of VA benefits received by the veteran is unchanged.

Please direct questions or comments regarding this ACWDL to Mr. Dave Rappolee of my staff at (916) 657-0163.

Sincerely,

ORIGINAL SIGNED BY

Glenda Arellano  
Angeline Mrva, Chief  
Medi-Cal Eligibility Branch