

Servaes Consulting Group, LLC

365 Boston Post Road #390

Sudbury, Ma 01776

508 270-7556

With VA accredited individuals to serve you better

The name of the proposed regulation is: Net Worth, Asset Transfers, and Income Exclusions for Needs-Based Benefits – sounds reasonable.

Every member of a veteran's services organization I have spoken to seems to have been given the script – "This is to stop Pension Poaching – applicants shouldn't transfer assets in order to get onto the VA Pension program" and the discussion stops there.

In the Supporting Document *Impact Analysis on A073-Proposed Rule* it states:

Pension and Fiduciary (P&F) Service estimates based on program knowledge that 1 percent of pension applicants dispose of assets before claiming pension.

And the projected savings from the **Asset transfer 36-Month Look Back** are stated as follows in the Supporting Document *Impact Analysis on A073-Proposed Rule*:

Asset Transfer Look Back		
Fiscal Year	Caseload (-)	(Savings) (\$000)
2016	(914)	(\$10,790)
2017	(1,677)	(\$21,213)
2018	(2,315)	(\$31,414)
2019	(2,329)	(\$33,950)
2020	(2,342)	(\$36,748)
5-Year Total		(\$134,114)

But every veteran, every person who helps veterans and every Veterans Service Organization needs to look at what's inside the regulation – the change to deductible medical expenses –

The projected savings from the change to **Income Deductions for Medical Expenses** are stated as follows in the Supporting Document *Impact Analysis on A073-Proposed Rule*:

Income Deductions for Medical Expenses		
Fiscal Year	Caseload (-)	(Savings) (\$000)
2016	(1,829)	(\$21,593)
2017	(3,354)	(\$42,425)
2018	(4,630)	(\$62,829)
2019	(5,694)	(\$83,001)
2020	(6,589)	(\$103,313)
5-Year Total		(\$313,160)

Servaes Consulting Group, LLC is a company with VA accredited individuals. Elder Resource Benefits Consulting is an independent consulting agency. Neither company is a Veterans Services Organization or affiliated with the Veterans Administration.

Servaes Consulting Group, LLC

365 Boston Post Road #390

Sudbury, Ma 01776

508 270-7556

With VA accredited individuals to serve you better

In the Supporting Document *Impact Analysis on A073-Proposed Rule* it states:

*In addition, this rulemaking defines and clarifies what VA considers to be a deductible medical expense for all of its needs-based benefits. It provides that generally, payments to facilities such as independent living facilities are not medical expenses, **nor are payments for assistance with instrumental activities of daily living...***

*Under current practice, room and board expenses for independent living facilities are **sometimes** considered deductible medical expenses. This regulation would require that an “assisted living, adult day care, or similar facility” must provide individuals with custodial care **24 hours per day** in order for room and board to be considered a deductible medical expense for the purposes of the determination of pension entitlement. **This definition would no longer allow for room and board for independent living facilities to be considered a medical expense.** [emphasis added]*

Excluding instrumental activities of daily living (IADL) is what FAST 12-23 did for Independent Living facilities in 2012. Since many seniors reside in Assisted Livings *because* they cannot manage their IADLS, defined as Medication Reminders, Meal Preparation, Housekeeping and Transportation, this will mean they will no longer have Assisted Living as an option if this regulation goes through. Under the new regulations, a senior who cannot manage their 4 medications, eats rancid food and cannot drive would not be able to claim their assisted living as an unreimbursed medical expense – how can that big of a change be in the interest of veterans?

That “sometimes” is when a physician states that the individual needs to live in a protected environment, names the independent living facility by name as acceptable and states they need to arrange for care from a specific individual or company with at least 2 activities of daily living that are over and above IADLs – so it is very restrictive already. This regulation prohibits facilities that are modified for the disabled and provide IADL assistance but allows them to receive their personal care from a family member or caregiver from being an URM. This would hold true for Assisted Livings where the veteran chose to hire a private caregiver and forgo the more expensive level of care offered by the Assisted Living.

The cost savings of denying veterans and surviving spouses who need to reside in a facility in order to safely arrange for care is **233.50% GREATER** than the savings projected from limiting asset transfers. Yet, like the Greek soldiers in the Trojan Horse, the lead story, the cutting of benefits to veterans and surviving spouses who need to reside in a facility in order to safely arrange for care, is hidden inside what is perceived to be a good thing.

Please do not allow the men and women who are desperately in need of this benefit to age in place to be harmed because of the 1% who transfer assets.

Sincerely,
Patricia Servaes

Servaes Consulting Group, LLC is a company with VA accredited individuals. Elder Resource Benefits Consulting is an independent consulting agency. Neither company is a Veterans Services Organization or affiliated with the Veterans Administration.