New Means Test Thresholds

Public Law 107-135, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001, directed the Department of Veterans Affairs (VA) to implement a Geographic-based Means Test (GMT) (see 38 U.S.C. Section 1705(a)(7)). VA uses the Department of Housing and Urban Development's (HUD) "low-income" geographic-based income limits as the thresholds for VA's GMT. A veteran's income from the previous year is compared with the appropriate GMT threshold for the previous fiscal year to determine if the veteran should be placed in priority category 7. The "low income" geographic-based income thresholds for FY 2006 can be found at: http://www.va.gov/healtheligibility/Library/pubs/GMTIncomeThresholds/

The following new Means Test Thresholds are effective January 1, 2007, through December 31, 2007:

(1) Veterans with No Dependents:
   (a) Below Means Test Threshold: $27,790
   (b) Above Means Test Threshold: $27,791

(2) Veterans with One Dependent:
   (a) Below Means Test Threshold: $33,350
   (b) Above Means Test Threshold: $33,351

(3) Veterans with Two Dependents:
   (a) Below Means Test Threshold: $35,216
   (b) Above Means Test Threshold: $35,217

(4) Veterans with Three Dependents:
   (a) Below Means Test Threshold: $37,082
   (b) Above Means Test Threshold: $37,083
(5) Veterans with Four Dependents:
   (a) Below Means Test Threshold: $38,948
   (b) Above Means Test Threshold: $38,949

(6) Veterans with Five Dependents:
   (a) Below Means Test Threshold: $40,814
   (b) Above Means Test Threshold: $40,815

c. Dependent Threshold Amount Increase (above two dependents): $1,866
d. Child Income Exclusion: $8,750
e. Medicare Deductible: $992
f. Income and/or Asset threshold for Net Worth Development: $80,000
g. Maximum Annual Rate of Pension: Base rate

(1) The base rate for a single veteran with no dependents is $10,929.

   Note: This rate is also used to determine if certain veterans are subject to co-payments for Extended Care Services.

(2) The base rate with one dependent is $14,313.

(3) Add $1,866 for each additional dependent.

h. The Medication Co-payment Threshold effective date is January 1 of each year.

``Below the means test threshold'' is defined as those veterans whose attributable income and net worth are such that they are unable to defray the expenses of care; therefore, they are not subject to co-payment charges for hospital and outpatient medical services. Within the Veterans Health Information Systems and Technology Architecture (VistA) system such veterans are designated as ``Means Test Copay Exempt.''

``Above the means test and GMT threshold'' is defined as those veterans whose attributable income and net worth are such that they are able to defray the expenses of care; therefore they must agree to pay a co-payment for hospital care and outpatient medical services. Within the VistA system these veterans are designated as ``Means Test Copay Required.'''
``Above the means test and below the GMT threshold'' is defined as those veterans whose attributable income and net worth are such that they are able to defray the expense of care, but whose inpatient medical care co-payments are reduced 80 percent. These veterans must also agree to pay a co-payment for hospital care and outpatient medical services. Within the VistA system these veterans are identified as ``GMT Copay Required.''

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