

SENATE MILITARY AND VETERANS' AFFAIRS  
COMMITTEE

STATEMENT TO

**SENATE, No. 3294**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 7, 2022

The Senate Military and Veterans Affairs Committee reports favorably Senate Bill No. 3294.

This bill requires that the Department of Human Services disregard United States Department of Veterans Affairs (VA) Aid and Attendance pension benefits when making Medicaid eligibility determinations for certain veterans, aged 65 years and older, who require in-home or nursing home care due to illness or disability. The dollar value of the Aid and Attendance benefit, which is an “add-on” payment to the base VA Pension benefit available to veterans and the surviving spouses of veterans with an annual income and resources below a predetermined threshold, could potentially render a veteran, or the surviving spouse of a veteran, ineligible for State Medicaid benefits.

To qualify for Aid and Attendance pension benefits, a veteran is required to:

- need in-home assistance with activities of daily living (ADLs) due to disability or illness;
- currently reside in a nursing home or assisted living facility due to a loss of physical or mental abilities caused by illness or disability;
- be confined to bed, or spend a substantive portion of the day in bed, due to illness; or
- be diagnosed with limited eyesight, despite the use of corrective lenses.

Veterans applying for Aid and Attendance benefits are also required to be aged 65 years or older, have received an honorable discharge after at least 90 days of active duty military service, and currently receive VA Pension benefits. The surviving spouse of a veteran may also qualify for Aid and Attendance benefits, provided the spouse meets the VA’s eligibility criteria.

VA Pension benefits, including Aid and Attendance benefits, are based on the difference between a veteran’s countable income and the maximum amount of VA Pension benefits payable to an individual veteran, as determined annually by the United States Congress. The VA defines “countable income” as including the veteran’s Social Security Benefits, retirement and investment

payments, and any income received by dependents of the veteran. The maximum VA pension amount, also called the “Maximum Annual Pension Rate (MAPR),” is based on a veteran’s individual circumstances, such as whether the veteran is married to another veteran who also qualifies for a VA Pension benefit, the number of dependents the veteran has, and whether the veteran is disabled, thereby qualifying for certain pension “add-on” payments, such as the Aid and Attendance benefit. The VA adjusts MAPRs to provide an annual cost-of-living increase. The MAPR for a single veteran with no dependents who qualifies for the Aid and Attendance benefit is \$24,610. A veteran who qualifies for Aid and Attendance benefits, and can claim either a dependent spouse or child, has a 2022 MAPR of \$29,175; the veteran may add \$2,523 to the MAPR amount for each eligible dependent. The largest MAPR amount, which is for a married couple who are both veterans and both qualify for Aid and Attendance benefits, totals \$39,036 annually. If the couple has dependent children, \$2,523 is added per dependent child to the annual benefit payment.

To qualify for any form of VA pension benefits in 2022, a veteran’s “net worth,” including the veteran’s and spouse’s assets and annual income, may not surpass \$138,489. Assets are defined as including investments, furniture, boats, and land and buildings owned by the veteran or the veteran’s spouse, with the exception of a primary residence and a car. Income includes salary or hourly pay, tips, commissions, bonuses, and overtime pay, but does not include unreimbursed medical expenses or educational expenses.

Given that a veteran is required to be at least 65 years in order to qualify for Aid and Attendance benefits through the VA, most veterans receiving these benefits would qualify for federal Medicare benefits as well. Certain veterans who qualify for State Medicaid benefits would also be eligible for one of three federal Medicare Savings Programs available to low-income senior citizens.

It is the intent of the bill to ensure that our State’s veterans are not disqualified from eligibility for Medicaid benefits due to receipt of VA Aid and Attendance benefits, which provide critical financial resources that help qualifying veterans and their surviving spouses afford the high cost of in-home and nursing home care.