

GIS 98 MA/016

TO: Local District Commissioners, Medicaid Directors**FROM:** Ann Clemency Kohler, Deputy Commissioner
Office of Medicaid Management**SUBJECT:** Payments to Vietnam Veterans' Children with Spina Bifida**EFFECTIVE DATE:** Immediately**CONTACT PERSON:** Wendy Butz, 518-473-5500

A 1996 study by the National Academy of Science found limited or suggestive evidence associating parental exposure to herbicides in Vietnam with increased risk of spina bifida in their children. The Secretary of the Department of Veterans Affairs (VA) sought legislation to provide an appropriate remedy. Public Law 104-204 authorizes the VA to provide benefits, including a monthly monetary allowance, to certain Vietnam veterans' children who suffer from spina bifida.

Beginning October 1, 1997, the VA will make monthly payments to eligible children with spina bifida based on the degree of disability suffered by the child, as determined by VA.

Public Law 104-204 provides that the monthly allowance paid those Vietnam veterans' children shall not be considered income or resources in determining eligibility for or the amount of benefits under any Federal or federally assisted program. Therefore, effective immediately, in determining Medicaid eligibility for Low Income Families with Children, and ADC-related and SSI-related applicants/recipients, such payments are to be excluded from income and resources. Interest earned on unspent payments is counted as income.

For purposes of this GIS message, the term "ADC-related" includes all individuals whose Medicaid eligibility is determined under the ADC-related budgeting methodology (including pregnant women and children whose income is compared to the poverty levels, and parents in intact households where there is no deprivation).

In accordance with Federal regulations regarding post-eligibility treatment of income for institutionalized individuals, monthly payments to children with spina bifida are also not to be considered as income or resources when determining the individual's contribution toward the cost of care. These payments are also to be disregarded in determining the otherwise available

income of a community spouse or family member for purposes of establishing a community spouse monthly income allowance or family member allowance.

When calculating chronic care, SSI- and ADC-related budget types, including eligibility determinations for Low Income Families with Children and expanded budgets, exempt payments should not be entered on MBL. For Single Individuals and Childless Couples, such payments should be entered with Unearned Income Source Code 99 (Other).