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Health Care for Dependents and Survivors of Veterans

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Summary

The Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) was established by the Veterans Health Care Expansion Act of 1973 (P.L. 93-82). CHAMPVA is primarily a health insurance program where certain eligible dependents and survivors of veterans receive care from private sector health care providers. The program is administered by the Veterans Health Administration (VHA), Office of Community Care, located in Denver, CO.

Eligibility

To be eligible for CHAMPVA benefits, the beneficiary must be the spouse or child of a veteran who has a total and permanent service-connected disability, or the widowed spouse or child of a veteran who (1) died as a result of a service-connected disability; or (2) had a total, permanent disability resulting from a service-connected condition at the time of death; or (3) died while on active duty status and in the line of duty; and does not qualify for health care under the Department of Defense (DOD) TRICARE program. The Caregivers and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163) expanded CHAMPVA benefits for primary caregivers of certain seriously injured veterans if they do not have any other form of health insurance. Under current law, a child (other than a helpless child) loses eligibility when (1) the child turns 18, unless enrolled in an accredited school as a full-time student; or (2) the child, who has been a full-time student, turns 23 or loses full-time student status; or (3) the child marries. Nevertheless, a child between the ages of 18 and 23 may remain eligible for CHAMPVA benefits if the child incurs a disabling illness or injury—while enrolled as full-time student—and is unable to continue studying at his or her educational institution. The child's eligibility will end either (1) six months from the removal date of the disability, (2) two years from the onset of the disability, or (3) on the child's 23rd birthday.

Benefits

The CHAMPVA program covers most health care services and supplies that are determined to be medically necessary, including inpatient and outpatient care, prescription drugs, mental health services, and skilled nursing care. Certain types of care require advance approval, commonly known as preauthorization. Currently, preauthorization is required for durable medical equipment, hospice services, mental health/substance abuse services, organ and bone marrow transplants, and dental procedures that are directly related to covered medical conditions.

Payments

CHAMPVA beneficiaries usually pay 25% of the cost of medical care up to an annual catastrophic cap of $3,000 plus an annual outpatient deductible of $50 per individual or $100 per family. CHAMPVA pays the remaining 75% of the cost of the beneficiaries' medical care. CHAMPVA is generally a secondary payer to other health insurance coverage and Medicare. CHAMPVA is the primary payer for Medicaid, Indian Health Service, and State Victims of Crime Compensation Programs.

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Overview

The Veterans Health Administration (VHA) of the Department of Veterans Affairs (VA) provides health care services to veterans who meet certain eligibility requirements.[1] The VHA is primarily a direct service provider of primary care, specialized care, and related medical and social support services to veterans though an integrated health care system. In 1973, Congress enacted the Veteran Health Care Expansion Act of 1973 (P.L. 93-82), which, among other things, established effective September 1, 1973, the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) as a means of providing health care services to dependents and survivors of certain veterans.[2] As stated in the House report accompanying P.L. 93-82:

> The nation has long recognized that the widow and children of a veteran who dies of service-connected disease or injury or of a veteran who has a service-connected total disability are in a special category and deserving of substantial compensation and assistance in return for the sacrifice the family has made. This recognition has been shown in title 38 programs which provide for death compensation benefits, home loans, and educational assistance benefits for wives, widows, and war orphans. Failure to provide for the medical care of such individuals is an oversight which should be corrected.[3]

CHAMPVA is fundamentally a health insurance program where certain eligible dependents and survivors of veterans (veterans rated permanently and totally disabled from a service-connected condition) obtain medical care from private health care providers.[4] Beneficiaries usually pay 25% of the cost of medical care up to an annual catastrophic cap of $3,000 plus an annual outpatient deductible of $50 per individual or $100 per family. CHAMPVA pays the remaining 75% of the cost of the beneficiaries' medical care.[5] CHAMPVA was designed to share costs of health services and to provide medical care in a manner similar to the care provided to certain eligible beneficiaries under the Department of Defense (DOD) TRICARE program (described later in this report).[6] The program is administered by the Veterans Health Administration (VHA), Office of Community Care, located in Denver, CO.

The number of beneficiaries enrolled in CHAMPVA has grown over the years. From FY2001 through FY2017, enrollments grew by 396%—from 96,500 to 478,600 beneficiaries (see **Figure**

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[1] For more information on eligibility for VA healthcare, seeCRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

[2] Codified at 38 U.S.C. §1781. The current controlling regulations are codified at 38.C.F.R. §§17.270-17.278.

[3] U.S. Congress, Committee on Veterans' Affairs, *Veterans Health Care Expansion Act of 1973*, report to accompany H.R. 9048, 93rd Congress, first session, H.Rept. 93-368 (Washington: GPO, 1973).

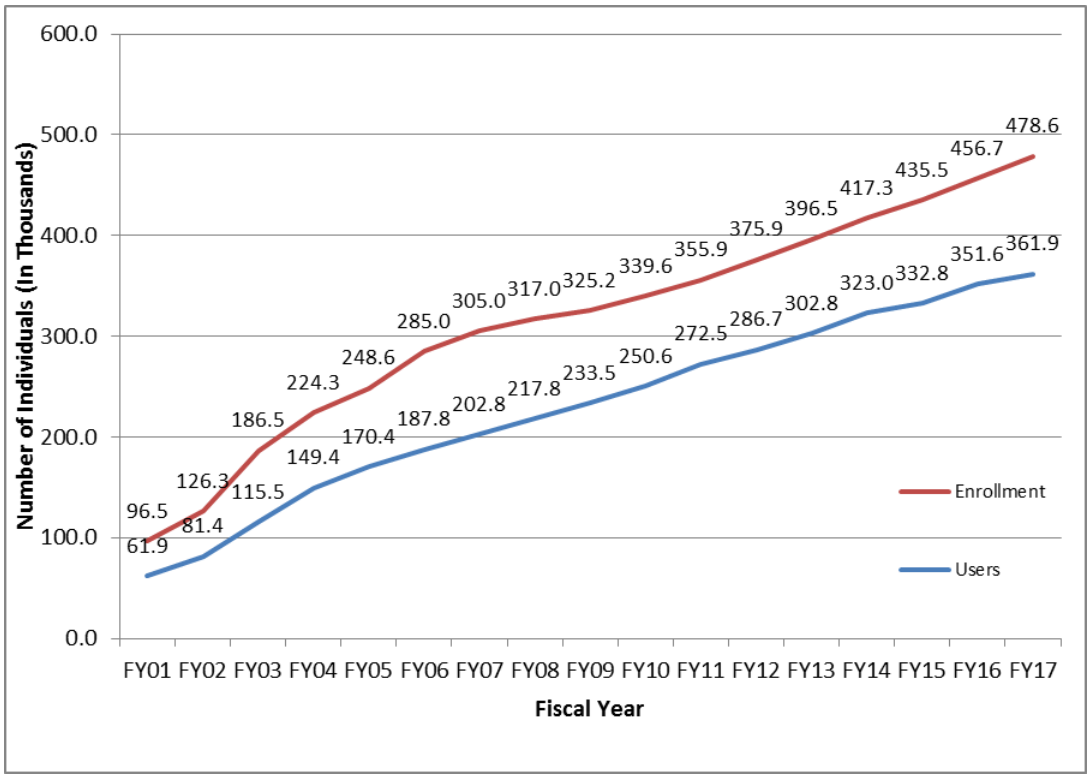
[4] The term "service-connected" means, with respect to disability, that such disability was incurred or aggravated in the line of duty in the active military, naval, or air service. VA determines whether veterans have service-connected disabilities, and for those with such disabilities, assigns ratings from 0 to 100% based on the severity of the disability. Percentages are assigned in increments of 10%.

[5] Department of Veterans Affairs, Office of Inspector General, *Audit of the Civilian Health and Medical Program of the Department of Veterans Affairs*, Report No. 06-03541-219, September 28, 2007, p. 1; and 38 C.F.R. §17.274.

[6] P.L. 93-82 authorized VA to furnish medical care similar to that provided to dependents and survivors of retired members of the armed forces in the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). CHAMPUS was later renamed TRICARE Standard in 1995. CHAMPVA is administered in a similar manner as "TRICARE Standard" plan only (Department of Veterans Affairs, "Civilian Health and Medical Program of the Department of Veterans Affairs," 83 *Federal Register* 2396-2412, January 17, 2018). It should be noted that as of January 2018, "TRICARE Select" replaced "TRICARE Standard" and "TRICARE Extra" plans (Office of the Secretary, Department of Defense [DOD], "Establishment of TRICARE Select and Other TRICARE Reforms," 82 *Federal Register* 45438-45461, September 29, 2017). However, VA's proposed rule (83 *Federal Register* 2396-2412, January 17, 2018) does not reflect this change.

1). The 2001 expansion of CHAMPVA eligibility to certain individuals aged 65 years and older has contributed somewhat to the increase in enrollment.[7] Moreover, there has been an increase in enrollment of dependents and spouses of certain Vietnam-era veterans with service-connected disabilities. This increase in Vietnam-era CHAMPVA sponsorship has occurred as aging Vietnam-era veterans with service-connected disabilities experience a worsening of symptoms and a change in disability status. Once a veteran becomes VA-rated permanently and totally disabled for a service-connected disability, the veteran's spouse and dependents are then eligible to enroll in CHAMPVA. The enactment of the Caregivers and Veterans Omnibus Health Services Act of 2010 (P.L. 111-163), expanded CHAMPVA eligibility to include additional categories of non-veterans, such as primary family caregivers of certain seriously injured veterans qualifying under the Program of Comprehensive Assistance for Family Caregivers (PCAFC).[8] **Table A-1** provides a summary of major legislative changes that have affected the CHAMPVA program since 1973 (see **Appendix A**).

Figure 1. CHAMPVA-Enrolled Beneficiaries and Unique Users, FY2001-FY2017



Source: Chart prepared by Congressional Research Service (CRS), based on data from U.S. Department of Veterans Affairs, Veterans Health Administration (VHA), Office of Community Care.

Note: Enrollees are those who are eligible for the CHAMPVA program, filed an Application for CHAMPVA Benefits, and have been enrolled in the program. Users are those enrollees who have received benefits.

The number of unique CHAMPVA users has also grown by 485%, from 61,900 in FY2001 to 361,900 in FY2017 (see **Figure 1**). Unique users are enrollees who utilize health care at least

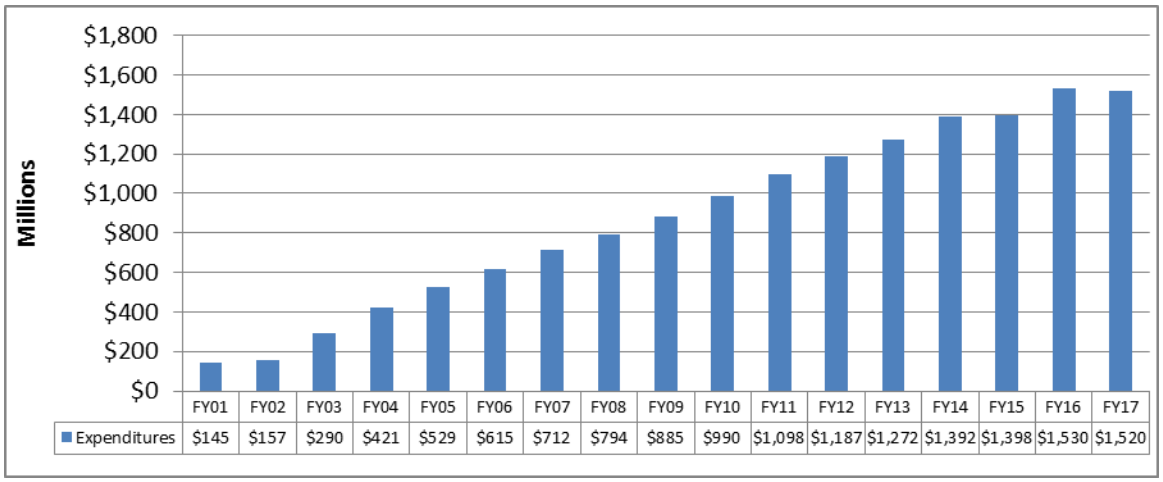
[7] Department of Veterans Affairs, Office of Inspector General, *Audit of the Civilian Health and Medical Program of the Department of Veterans Affairs*, Report No. 06-03541-219, September 28, 2007, p. 1.

[8] For more information, see CRS In Focus IF10396, *Caregiver Support to Veterans*.

once in a fiscal year. **Appendix B** provides a state-by-state breakdown of the number of CHAMPVA enrollees and unique users for FY2017.

Funding for CHAMPVA is provided through the VHA's Medical Services account.[9] As shown in **Figure 2**, spending for CHAMPVA (excluding administrative costs) has increased by 945% between FY2001 and FY2017. The average cost per patient has also increased from approximately $2,349 per patient in FY2001 to an estimated $4,200 per patient in FY2017.[10] A demographic shift in CHAMPVA enrollees from less expensive younger beneficiaries to more expensive aging beneficiaries, the "extension of CHAMPVA benefits to beneficiaries over the age of 65,"[11] and the general inflation of medical costs are potential reasons for this increase in CHAMPVA expenditures.

Figure 2. CHAMPVA Expenditures, FY2001-FY2017



Source: Chart prepared by Congressional Research Service (CRS), based on data from U.S. Department of Veterans Affairs, Veterans Health Administration (VHA), Office of Community Care.

Note: Expenditures shown in nominal dollars (also referred to as current dollars). Expenditures do not include administrative costs.

The next section provides answers to frequently asked questions about the program. The questions are presented according to the following topics: eligibility, benefits, payments, and other relevant programs.

[9] For information on VA appropriations, see CRS Report R45047, *Department of Veterans Affairs FY2018 Appropriations*.

[10] Indicates nominal dollars (also referred to as current dollars).

[11] Department of Veterans Affairs, Office of Inspector General, *Audit of the Civilian Health and Medical Program of the Department of Veterans Affairs*, Report No. 06-03541-219, September 28, 2007, p. 1.

Questions and Answers[12]

Eligibility

Who Is Eligible to Receive CHAMPVA Benefits?

Eligibility for CHAMPVA requires inclusion in one of the following categories:[13]

- the individual is the spouse or child of a veteran who has been rated permanently and totally disabled for a service-connected disability; or
- the individual is the surviving spouse or child of a veteran who died from a VA-rated service-connected disability; or
- the individual is the surviving spouse or child of a veteran who was at the time of death rated permanently and totally disabled from a service-connected disability; or
- the individual is the surviving spouse or child of a military member who died on active duty, not due to misconduct (in most cases, these family members are eligible under TRICARE, not CHAMPVA); or
- the individual is designated as a "primary family caregiver" of a seriously injured veteran who qualifies under the Program of Comprehensive Assistance for Family Caregivers (PCAFC),[14] and does not have any other form of health insurance.[15]

What Happens If a CHAMPVA-Eligible Spouse Divorces or Remarries?

CHAMPVA eligibility is terminated by divorce or annulment of marriage to the qualifying veteran. CHAMPVA has specific eligibility rules for widows. When a CHAMPVA-eligible widow remarries, eligibility is terminated if the marriage occurs before the age of 55. As of February 4, 2003, a CHAMPVA-eligible widow who remarries at age 55 or older remains eligible for CHAMPVA. If a CHAMPVA-eligible widow under the age of 55 remarries, and the remarriage is later terminated, the widow is again eligible for CHAMPVA.

When Does a Child Lose Eligibility?

A child's eligibility, excluding that of a helpless child,[16] for CHAMPVA is terminated under the following conditions:

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[12] This part was drawn from: Department of Veterans Affairs, *CHAMPVA Guide*, at https://www.va.gov/COMMUNITYCARE/docs/pubfiles/programguides/champva_guide.pdf, and CHAMPVA Policy Manual at https://www.vha.cc.va.gov/ (accessed on February 26, 2018).

[13] 38 U.S.C. §1781; 38 C.F.R. §17.270-17.278; 38 C.F.R. §71.25.

[14] For more information, see CRS In Focus IF10396, *Caregiver Support to Veterans*.

[15] Primary Family Caregiver means an individual who meets the requirements specified in 38 C.F.R. §71.25. Other forms of health insurance coverage is defined in 38 U.S.C. §1725(f).

[16] A child who, before the age of 18, becomes permanently incapable of self-support and is rated as a helpless child by

- if the child is not enrolled in an accredited school as a full-time student, the child loses eligibility at age 18; or
- if the child is enrolled in an accredited school as a full-time student, the child loses eligibility at age 23[17] or upon losing full-time student status; or
- if the child marries; or
- if the child is a stepchild, the stepchild loses eligibility upon no longer living in the household of the sponsor; or
- if the child is a full-time student at an educational institution, between the ages of 18 and 23, and incurred a disabling injury or illness, the child loses eligibility either (1) six months from the removal date of the disability, (2) two years from the onset of the disability or illness, or (3) on the child's 23rd birthday, whichever occurs first.[18]

Why Aren't CHAMPVA-Eligible Children Getting Coverage Until They Reach Age 26?

The Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) required that a group health plan and a health insurance issuer offering group or individual health insurance coverage that provides dependent coverage of children continue to make such coverage available for a dependent child until 26 years of age.[19] This ACA requirement did not apply to the CHAMPVA program.

Since the 111th Congress, several bills have been introduced in Congress to extend coverage of children eligible under the CHAMPVA program until they reach age 26, so that it will be consistent with private sector coverage under the Affordable Care Act (ACA).[20] However, none of the bills have been enacted into law.

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the VA is eligible for CHAMPVA with no age limitation. For more information see Department of Veterans Affairs, *CHAMPVA Guide*, https://www.va.gov/COMMUNITYCARE/docs/pubfiles/programguides/champva_guide.pdf, p. 9 (accessed on February 26, 2018).

[17] The Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) required that a group health plan and a health insurance issuer offering group or individual health insurance coverage that provides dependent coverage of children to continue to make such coverage available for a dependent child until 26 years of age. This ACA requirement did not apply to CHAMPVA benefits. Congress may need to amend 38 U.S.C. §1781(c) if a policy choice is made to extend eligibility for coverage of children under CHAMPVA until they reach age 26 so that eligibility for coverage of children under CHAMPVA would be consistent with private sector coverage under the ACA.

[18] Department of Veterans Affairs, Veterans Health Administration, Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), VHA Handbook 1601D.05, November 2, 2015.

[19] For more information, see CRS Report R42069, *Private Health Insurance Market Reforms in the Patient Protection and Affordable Care Act (ACA)*.

[20] During the 111th Congress, the House-passed version of the National Defense Authorization Act (NDAA) for FY2011 (H.R. 5136) included a provision that would have extended dependent coverage under CHAMPVA until age 26 (H.Rept. 111-491). However, the final version of the FY2011 NDAA (H.R. 6523) did not include any provision to extend CHAMPVA coverage to eligible dependent children up to age 26. In the 112th Congress S. 490 and H.R. 115 were introduced. In the 113th Congress, the CHAMPVA Children's Protection Act of 2013 (H.R. 288) and a similar measure (S. 325) were introduced. In the 114th Congress, the CHAMPVA Children's Protection Act of 2015 was introduced in the House (H.R. 218) and in the Senate (S. 170). In the 115th Congress, CHAMPVA Children's Protection Act of 2017 (H.R. 92 and in the Senate S. 423) has been introduced. Both bills if enacted would expand health insurance coverage to CHAMPVA-eligible dependent children up to age 26. In addition, the Senate measure would expand coverage to married dependent children.

Benefits

Which Medical Benefits Are Available to Eligible Beneficiaries?

The CHAMPVA program covers most health care services and supplies that are determined to be medically necessary, including inpatient and outpatient care, prescription drugs, mental health services, and skilled nursing care. By law, CHAMPVA is required to provide health care benefits that are similar to the DOD's TRICARE Standard plan[21] (see text box for details on proposed regulations regarding changes to CHAMPVA reflecting changes in TRICARE). Chiropractic services, routine eye examinations, hearing aids, and most dental benefits are excluded from both the federal CHAMPVA and TRICARE programs.[22] In late 2008, benefits were expanded to include any non-dental prostheses and remove the exclusion from coverage of enuretic (bed-wetting) devices.[23]

Proposed Amendments to CHAMPVA Regulations

On January 17, 2018, the VA published proposed regulations to make certain amendments to the current regulations governing the CHAMPVA program. This was needed due to some changes made to TRICARE authorities and CHAMPVA authorities. Provided below are major highlights of the proposed changes:

- Would add colorectal screening, prostate cancer screening discussion and testing, annual physical examination, and vaccinations/immunizations to the list of preventive care services covered.
- CHAMPVA beneficiaries would not have to pay for preventive services described above as well as for preventive breast cancer and cervical cancer screenings.
- Would provide free smoking cessation counseling, including coverage of pharmaceuticals, when CHAMPVA is the primary payer.
- Would add the Outpatient Prospective Payment System (OPPS) reimbursement methodology as a new payment method for facility charges provided in a hospital setting subject to Medicare OPPS, and would utilize TRICARE's OPPS reimbursement methodology due to certain similarities in TRICARE's and CHAMPVA's beneficiary populations.
- Would adopt the Home Health Prospective Payment System(HHPPS) that is currently used by TRICARE and Medicare to reimburse intermittent and part time home health aide and skilled nursing services.
- Would adopt Medicare's Cost-to-Charge (CTC) reimbursement methodology to pay for inpatient services provided in a Sole Community Hospital (SCH).

Source: Department of Veterans Affairs, "Civilian Health and Medical Program of the Department of Veterans Affairs," 83 *Federal Register* 2396-2412, January 17, 2018.

Certain types of care require advance approval, commonly known as preauthorization. Generally, a CHAMPVA beneficiary determines if a provider will accept the individual as a CHAMPVA beneficiary; this is known as "accepting assignment." This means that the provider will bill the VA directly for covered services, items, and supplies and will be paid the "allowable charge." Doctors or providers who agree to accept assignment cannot try to collect more than the CHAMPVA deductible and cost share (copay) amounts from the beneficiary. If the provider does

[21] 38 U.S.C. §1781(b). As of January 2018, "TRICARE Select" replaced "TRICARE Standard" and "TRICARE Extra" plans (Office of the Secretary, Department of Defense (DoD), "Establishment of TRICARE Select and Other TRICARE Reforms," 82 *Federal Register* 45438-45461, September 29, 2017).

[22] 38 C.F.R. §17.272.

[23] Department of Veterans Affairs, "Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA): Expansion of Benefit Coverage for Prostheses and Enuretic Devices; Miscellaneous Provisions," 73 *Federal Register* 65552, November 4, 2008.

not accept assignment, the CHAMPVA beneficiary is responsible for paying the annual deductible, the cost share amount, and any provider-billed amount that exceeds the total allowable amount. For care that is not covered by CHAMPVA, the beneficiary has to pay the full bill.[24] For example, with very few exceptions, dental care and services deemed not medically necessary, cosmetic in nature, investigational, and experimental are not covered benefits. Currently, preauthorization is required for

- durable medical equipment,
- hospice services,
- mental health/substance abuse services,
- organ and bone marrow transplants, and
- dental procedures that are directly related to covered medical conditions.

What Is the CHAMPVA Policy on Abortion?

The CHAMPVA program does not cover the cost of abortion counseling or abortion procedures unless a physician certifies that the life of the mother would be endangered should the fetus be carried to term.[25] CHAMPVA will not cover any abortion related to incest or rape.[26] Specifically, CHAMPVA will provide coverage for (1) spontaneous, missed, or threatened abortions and abortions related to ectopic pregnancies,[27] or (2) fetal death due to natural causes.[28] Dilation and evacuation (D&E) and dilation and curettage (D&C) procedures may be covered when done surgically for a gynecological diagnosis or covered abortions.[29]

Payments

What Is the CHAMPVA Payment Structure?

CHAMPVA is a cost-sharing program that reimburses at rates comparable to the Medicare and TRICARE programs. CHAMPVA has an outpatient deductible of $50 per person and $100 per family per calendar year. After the deductible is reached, CHAMPVA pays 75% of the allowable amount, and the beneficiary pays 25% of the total amount.[30] The patient typically pays the cost

[24] Department of Veterans Affairs, Office of Community Care. *Fact Sheet 01-20 for Outpatient Providers and Office Managers*, available at https://www.va.gov/COMMUNITYCARE/docs/pubfiles/factsheets/FactSheet_01-20.pdf (accessed February 26, 2018).

[25] Department of Veterans Affairs, Office of Community Care, *CHAMPVA Policy Manual*, Chapter: 2 Section: 14.2 Title: Abortions, available at https://www.vha.cc.va.gov/ (accessed February 26, 2018).

[26] TRICARE covers the cost of abortion when there is a threat to the life of the mother, or in cases of rape or incest, as directed by 10 U.S.C. §1093 (a) and (b).

[27] A spontaneous abortion is also called a miscarriage, or pregnancy loss, which is "the unexpected loss of a fetus before the 20th week of pregnancy, or gestation." Source: https://www.nlm.nih.gov/medlineplus/miscarriage.html. For clinical purposes, "spontaneous abortion often is subdivided into threatened abortion, inevitable abortion, incomplete abortion, missed abortion, septic abortion, recurrent spontaneous abortion, and complete abortion." Source: Craig P. Griebel et al., "Management of Spontaneous Abortion," *American Family Physician*, vol. 72, no. 7 (October 1, 2005), pp. 1243-1250.

[28] 38 C.F.R. §17.270(a). 38 C.F.R. §17.272(a).

[29] Department of Veterans Affairs, Office of Community Care, *CHAMPVA Policy Manual*, Chapter: 2 Section: 14.2 Title: Abortions, available at https://www.vha.cc.va.gov/ (accessed February 26, 2018).

[30] An allowable amount is the maximum payment that is authorized by the VA for a covered medial service or supply.

share at the time the service is provided, unless the beneficiary has another health insurance plan. In cases where a beneficiary has another form of health insurance, CHAMPVA is the secondary payer (with the exception of the circumstances outlined in the question "What Happens If the Beneficiary Has Other Health Insurance?"), and pays the lesser of either 75% of the allowable amount after the deductible or the rest of the billed charges. There is a $3,000 cap on cost sharing per CHAMPVA-eligible family. There is also an exception to the payment scheme outlined here for instances in which medical services are rendered through VA facilities participating in the CHAMPVA In-house Treatment Initiative (CITI).[31]

What Happens If the Beneficiary Has Other Health Insurance?

By law, CHAMPVA is generally the secondary payer for beneficiaries having any other form of health insurance. The primary health insurance company is billed first, and then beneficiaries submit an explanation of benefits (EOB) for additional reimbursement by CHAMPVA. Exceptions exist for beneficiaries with Medicaid, beneficiaries receiving care under the State Victims of Crime Compensation Program, beneficiaries receiving care from the Indian Health Service, or beneficiaries with a CHAMPVA supplementary insurance policy. In those cases, CHAMPVA is the first payer.[32]

How Are CHAMPVA Claims Processed?

All CHAMPVA claims are processed through the Chief Business Office Purchased Care in Denver, CO. Claims can be submitted by either the provider or the beneficiary, with each case requiring a different set of forms. All claims must be filed within one year after the date of service. For inpatient care, the claim must be filed within one year of the discharge date, and all payments will be made to the hospital regardless of which party submits the billing. Claims submitted after the one-year deadline will be denied. However, an appeal or reconsideration request must be submitted within one year from the initial determination date. As of 2009, the reimbursement ceiling on durable medical equipment (DME) was raised to $2,000 to facilitate the administrative claims process and to accurately reflect the current costs of medical equipment.[33]

Other Programs

What Is the Difference Between CHAMPVA and TRICARE?

TRICARE is a health care program run by the DOD for families of active duty military servicemembers, families of servicemembers who died while on active duty, and retired military service men, women, and their families, regardless of their disability status. CHAMPVA is a comprehensive program run by the VA for eligible family members of veterans rated permanently and totally disabled for a service-connected disability or the family members of veterans who died from a VA-rated service-connected disability, whereas TRICARE has no disability criteria required for eligibility.[34] The sponsoring veteran does not receive services through CHAMPVA,

[31] 38 C.F.R. §17.274.

[32] 38 C.F.R. §17.275.

[33] Department of Veterans Affairs, "(CHAMPVA): Preauthorization of Durable Medical Equipment," 74 *Federal Register* 31373, July 1, 2009.

[34] For further information on TRICARE, see CRS Report RL33537, *Military Medical Care: Questions and Answers*;

as he or she is eligible to receive services through the VA. Dependents of military retirees[35] are not eligible for CHAMPVA, and must apply for benefits through TRICARE.

What Is the Relationship Between CHAMPVA and Medicare?

CHAMPVA is the secondary payer for beneficiaries with Medicare coverage. Under Section 3 of the Veterans' Survivors Benefits Improvement Act of 2001 (P.L. 107-14), referred to as CHAMPVA for Life, CHAMPVA benefits were expanded to those over the age of 65 in the following circumstances.

- If a beneficiary turns 65 before June 5, 2001, and only receives Medicare Part A, the beneficiary is eligible for CHAMPVA without having to purchase Medicare Part B coverage.
- If a beneficiary turns 65 before June 5, 2001, and receives both Medicare Part A and Part B, the beneficiary must retain both parts to be eligible for continued CHAMPVA as secondary coverage.
- If a beneficiary turns 65 on or after June 5, 2001, the beneficiary must be enrolled in Medicare Parts A and B to be eligible for CHAMPVA.
- Enrollment in Medicare Part D is not required to become or remain eligible for CHAMPVA.
- Individuals aged 65 or older who are not entitled to Medicare Part A retain CHAMPVA eligibility.

What Is the CHAMPVA In-House Treatment Initiative (CITI)?

The CITI is a voluntary program for CHAMPVA beneficiaries that provides medical care through local VA facilities on a space-available basis. Beneficiaries receiving care at the VA through the CITI program are not required to pay a deductible or participate in cost sharing. No extra enrollment is necessary to participate in the CITI program; the beneficiary simply has to determine if the local VA is a participating facility. The majority of VA facilities are CITI participants. It is important to emphasize that care is delivered based on the availability of space. Beneficiaries on Medicare or who have an HMO plan as their primary insurance are not eligible for the CITI program.

How Does the Affordable Care Act (ACA; P.L. 111-148, as amended) Affect CHAMPVA?

Under the ACA, individuals are required to maintain minimum essential coverage for themselves and their dependents.[36] Beginning in 2014, the ACA requires most individuals who do not maintain minimum essential insurance coverage—and do not qualify for an exemption—to

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also http://www.tricare.mil/; relevant regulations are at 32 C.F.R. §199.

[35] It should be noted that there is a distinction between a veteran and a military retiree. Title 38 of the United States Code defines a "veteran" as a person who has been discharged under conditions other than dishonorable from active military, naval, or air service, (38 U.S.C. §101). All military retirees, by definition, are veterans. However, to be considered a "military retiree," an individual generally must have spent at least 20 years on active duty in the armed services.

[36] For more information, see CRS Report R44438, *The Individual Mandate for Health Insurance Coverage: In Brief*.

potentially pay a penalty for noncompliance. Those enrolled in the CHAMPVA program are considered to have minimum essential coverage and therefore are not subject to the individual mandate penalty when filing their taxes.[37] The penalty is in effect through 2018; beginning in 2019, the penalty will be effectively eliminated (i.e., beginning in 2019, individuals who do not comply with the mandate will not have to pay the penalty). If a CHAMPVA enrollee wishes to purchase additional health care insurance from the health insurance marketplace (exchanges),[38] he or she would not qualify for premium credits and subsidies.[39] However, he or she may still purchase private health insurance to complement CHAMPVA coverage.

[37] See, Department of the Treasury, Internal Revenue Service, "Health Insurance Premium Tax Credit," 77 *Federal Register* 30388, May 23, 2012.

[38] ACA exchanges are marketplaces in which individuals and small businesses can shop for and purchase private health insurance coverage. For more information, see CRS Report R44065, *Overview of Health Insurance Exchanges*.

[39] For more information, see CRS Report R44425, *Health Insurance Premium Tax Credits and Cost-Sharing Subsidies*.

Appendix A. CHAMPVA Legislative History

Table A-1. Major Legislation Affecting the CHAMPVA Program

Year	Summary	Public Law
1973	Established the CHAMPVA program.	P.L. 93-82
1976	Expanded the criteria under which surviving spouses and children would receive benefits following the death of the veteran.	P.L. 94-581
1979	Authorized CHAMPVA coverage for dependents in the case of death of active duty servicemember when not covered by TRICARE. Authorized CHAMPVA coverage for unmarried children until the age of 23 if enrolled in a full-time course of education.	P.L. 96-151
1982	Authorized CHAMPVA beneficiaries who lose their CHAMPVA health care eligibility by virtue of becoming eligible for Medicare benefits to regain their CHAMPVA eligibility once any of their Medicare benefits have been exhausted.	P.L. 97-251
2001	Authorized the extension of CHAMPVA benefits to beneficiaries over the age of 65. Prior to 2001, beneficiaries over the age of 65 were not eligible for CHAMPVA because they were eligible for Medicare.	P.L. 107-14
2002	Authorized a CHAMPVA-eligible widow who remarries at age 55 or older to remain eligible for CHAMPVA benefits.	P.L. 107-330
2010	Authorized primary family caregivers of seriously injured veterans to enroll in CHAMPVA.	P.L. 111-163

Source: Table prepared by the Congressional Research Service.

Appendix B. CHAMPVA Enrollment and Unique Users, by State

Table B-1. CHAMPVA-Enrolled Beneficiaries and Unique Users, by State, FY2017

State	Enrolled	Unique Users
Alabama	10,761	8,433
Alaska	708	483
Arizona	11,328	8,574
Arkansas	9,559	7,938
California	33,970	21,111
Colorado	6,958	5,132
Connecticut	2,329	1,772
Delaware	1,000	745
District of Columbia	218	108
Florida	37,585	28,974
Georgia	17,003	13,022
Hawaii	1,755	1,111
Idaho	2,863	2,263
Illinois	10,101	7,521
Indiana	7,421	5,901
Iowa	3,744	2,997
Kansas	3,333	2,685
Kentucky	9,495	8,015
Louisiana	8,175	6,467
Maine	4,710	3,941
Maryland	4,083	2,818
Massachusetts	6,117	4,535
Michigan	14,453	10,929
Minnesota	9,147	7,110
Mississippi	5,583	4,496
Missouri	11,053	8,814
Montana	2,499	1,935
Nebraska	3,969	840
Nevada	4,849	3,459
New Hampshire	2,047	3,188
New Jersey	6,741	1,637
New Mexico	6,067	4,942

State	Enrolled	Unique Users
New York	14,670	10,328
North Carolina	24,636	4,600
North Dakota	1,086	19,469
Ohio	14,098	10,968
Oklahoma	15,657	12,590
Oregon	10,042	7,847
Pennsylvania	14,412	10,954
Rhode Island	1,290	996
South Carolina	12,591	9,775
South Dakota	1,671	1,360
Tennessee	13,546	11,083
Texas	45,559	33,747
Utah	2,641	1,967
Vermont	825	643
Virginia	11,315	8,939
Washington	10,323	7,749
West Virginia	7,647	6,253
Wisconsin	9,546	7,693
Wyoming	828	627
American Samoa	143	30
Guam	415	203
N. Mariana Islands	0	0
Puerto Rico	5,172	2,104
Virgin Island	31	12
Invalid	17	6
Foreign[a]	798	84
Total	**478,583**	**361,923**

Source: Table prepared by Congressional Research Service (CRS), based on data from U.S. Department of Veterans Affairs, Veterans Health Administration (VHA), Office of Community Care.

Notes: Enrollees are those who are eligible for the CHAMPVA program, filed an Application for CHAMPVA Benefits, and have been enrolled in the program. Unique users are CHAMPVA enrollees who utilize health care services at least once in a fiscal year.

a. CHAMPVA beneficiary lives in a foreign country.

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