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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), Assistant Under Secretary for Health (AUSH) for Integrated Veteran Care, Office of Integrated Veteran Care (IVC). The law (38 U.S.C. §1781) requires CHAMPVA to “provide for medical care in the same or similar manner and subject to the same or similar limitations as medical care is furnished to certain dependents and survivors of active duty and retired members of the Armed Forces under [the Department of Defense (DOD) TRICARE program].”

### 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 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 educational institution regardless of whether that course of instruction is part-time or full-time; (2) the child, who has been a part-time or full-time student, turns 23; 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 in a *full-time* course of instruction—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 23<sup>rd</sup> 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. The CHAMPVA program requires preauthorization for dental care, durable medical equipment (DME) with a purchase or total rental price in excess of \$2,000, and organ or bone marrow transplants.

### 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. After the annual catastrophic cap is met, CHAMPVA pays 100% of the allowable amount for covered services for the rest of the calendar year. There is no cost-sharing for certain preventive cancer screenings, annual physical exams, immunizations, or certain contraceptive services and products. CHAMPVA is generally a secondary payer or payer of last resort to other health insurance coverage and Medicare. CHAMPVA is the primary payer when the eligible beneficiary has

coverage through Medicaid, Indian Health Service, or 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.<sup>1</sup> The VHA is primarily a direct service provider of primary care, specialized care, and related medical and social support services to veterans through 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.<sup>2</sup> 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.<sup>3</sup>

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.<sup>4</sup> 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.<sup>5</sup> After the annual catastrophic cap is met, CHAMPVA pays 100% of the allowable amount for covered services for the rest of the calendar year. There is no cost-sharing for preventive cancer screenings (such as breast cancer, cervical cancer, and prostate cancer), annual physical exams, immunizations, and certain contraceptive services and prescription or nonprescription contraceptive products authorized by the Food and Drug Administration (FDA)<sup>6</sup>

CHAMPVA was designed to share costs of health services and to “provide for medical care in the same or similar manner and subject to the same or similar limitations as medical care is furnished to certain dependents and survivors of active duty and retired members of the Armed Forces under [the Department of Defense (DOD) TRICARE program (described later in this report)].”<sup>7</sup>

<sup>1</sup> For more information on eligibility for VA healthcare, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

<sup>2</sup> Codified at 38 U.S.C. §1781. The current controlling regulations are codified at 38 C.F.R. §§17.270-17.278. The CHAMPVA Operational Policy Manual is located at [https://www.vha.cc.va.gov/system/templates/selfservice/va\\_ssnew/help/customer/locale/en-US/portal/55440000001036/content/554400000010845/Master-Table-of-Contents](https://www.vha.cc.va.gov/system/templates/selfservice/va_ssnew/help/customer/locale/en-US/portal/55440000001036/content/554400000010845/Master-Table-of-Contents) (accessed on September 25, 2024).

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

<sup>4</sup> 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, air, or space 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%.

<sup>5</sup> 38 C.F.R. §17.274.

<sup>6</sup> 38 C.F.R. §17.274

<sup>7</sup> 38 U.S.C. §1781(b). P.L. 93-82 authorized VA to furnish medical care “in the same or similar manner and subject to the same or similar limitations” that is provided to dependents and survivors of retired members of the armed forces in (continued...)

VHA's Assistant Under Secretary for Health (AUSH) for Integrated Veteran Care, Office of Integrated Veteran Care (IVC), administers the CHAMPVA program.

The number of beneficiaries enrolled in CHAMPVA has grown over the years. From FY2001 through FY2023, enrollments grew by 629%—from 96,500 to 703,600 beneficiaries (see **Figure 1**). The 2001 expansion of CHAMPVA eligibility to certain individuals aged 65 years and older has contributed somewhat to the increase in enrollment.<sup>8</sup> 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 nonveterans, such as primary family caregivers of certain seriously injured veterans qualifying under the Program of Comprehensive Assistance for Family Caregivers (PCAFC).<sup>9</sup> In FY2023, approximately 4,332 primary family caregivers under the PCAFC received health care services through CHAMPVA at a cost (obligations) of about \$12.5 million.<sup>10</sup>

**Table A-1** provides a summary of major legislative changes that have affected the CHAMPVA program since 1973 (see **Appendix A**).

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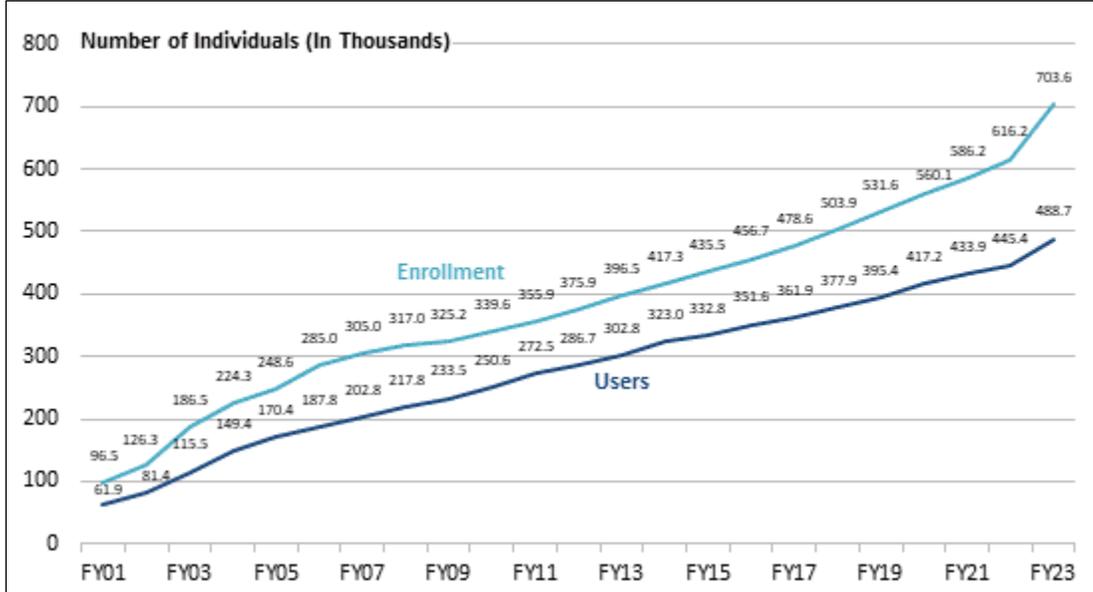
the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). With the implementation of a new DOD health program, CHAMPUS was renamed TRICARE in 1995. In 2018, TRICARE Standard and TRICARE Extra plans were replaced by TRICARE Select. TRICARE Select is a self-managed, preferred provider network plan (for more information on TRICARE health plans, see CRS Report R45399, *Military Medical Care: Frequently Asked Questions*). According to VA, CHAMPVA is administered in a "same or similar manner" as the "TRICARE Select" plan only (Department of Veterans Affairs, "Civilian Health and Medical Program of the Department of Veterans Affairs," 87 *Federal Register* 41594-41603, July 13, 2022).

<sup>8</sup> 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.

<sup>9</sup> For more information, see CRS Report R46282, *Department of Veterans Affairs: Caregiver Support*.

<sup>10</sup> Department of Veterans Affairs, *Assistance and Support Services for Caregivers*, Annual Report to Congress for Fiscal Year 2023, June 2024, p. 11.

**Figure 1. CHAMPVA-Enrolled Beneficiaries and Users, FY2001-FY2023**



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

**Note:** Enrollees are those who were eligible for CHAMPVA coverage on one or more days at any time during the reported fiscal year. A user is someone who had one or more medical claims and where the VHA paid for at least a portion of the covered medical care. Both are counts of unique individuals.

The number of CHAMPVA users has also grown by 689%, from 61,900 in FY2001 to 488,700 in FY2023 (see **Figure 1**). Users are enrollees who had one or more medical claims and where the VHA paid for at least a portion of the covered health care services in a fiscal year. **Appendix B** provides a state-by-state breakdown of the number of CHAMPVA enrollees and unique users for FY2023.

According to VA, the CHAMPVA program would see an approximate growth of 9.7% in unique users in future years.<sup>11</sup> It is projected that the number of unique users by the end FY2024 would be 520,000.<sup>12</sup> On August 20, 2022, the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022, or the Honoring our PACT Act of 2022 (P.L. 117-168), was enacted.<sup>13</sup> While the Honoring our PACT Act of 2022 has not had an immediate effect on the CHAMPVA program, VA estimates that program utilization would increase by 3.0% as more veterans would become eligible to be sponsors for the CHAMPVA program due to new presumptive service-connected conditions based on toxic exposures.<sup>14</sup>

VHA’s Medical Community Care account provides a majority of funding for CHAMPVA. The Medical Services account also funds pharmacy costs associated with the CHAMPVA program

<sup>11</sup> Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, Medical Programs, vol. 2 of 5, March 2024, p. VHA – 386.

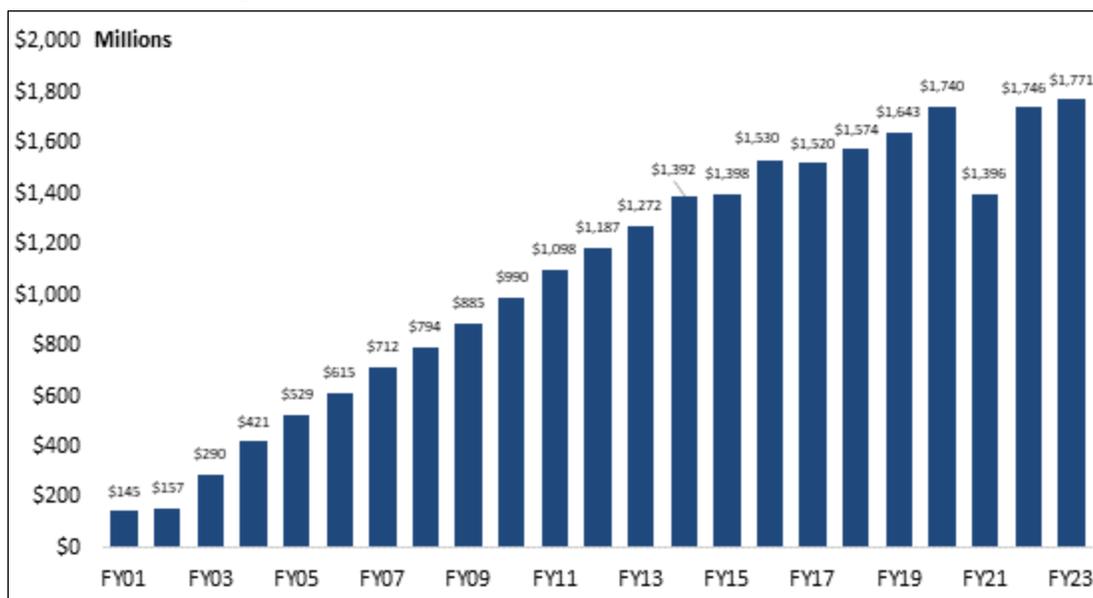
<sup>12</sup> Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, Medical Programs, vol. 2 of 5, March 2024, p. VHA – 386.

<sup>13</sup> For veteran health care eligibility expansions under the Honoring our PACT Act of 2022, see CRS Report R47542, *Honoring Our PACT Act of 2022 (P.L. 117-168): Expansion of Health Care Eligibility and Toxic Exposure Screenings*.

<sup>14</sup> Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, Medical Programs, vol. 2 of 5, March 2024, p. VHA – 386.

and for care delivered at VA medical facilities.<sup>15</sup> As shown in **Figure 2**, spending for CHAMPVA (excluding administrative costs) has increased by approximately 1,118% between FY2001 and FY2023. The significant change in FY2021 expenditures could be attributed to the COVID-19 pandemic, as individuals chose to defer certain health care services, which lead to lower health care utilization. The average cost per patient has also increased, from approximately \$2,349 per patient in FY2001 to an estimated \$3,623 per patient in FY2023.<sup>16</sup> 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,”<sup>17</sup> and the general inflation of medical costs are potential reasons for this increase in CHAMPVA expenditures.

**Figure 2. CHAMPVA Expenditures, FY2001-FY2023**



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

**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.

<sup>15</sup> Department of Veterans Affairs, *FY2025 Congressional Budget Submission*, Medical Programs, vol.2 of 5, March 2024, p. VHA – 366. For information on VA appropriations see, CRS Report R48056, *Department of Veterans Affairs FY2024 Appropriations*.

<sup>16</sup> Indicates nominal dollars (also referred to as current dollars).

<sup>17</sup> 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<sup>18</sup>

### Eligibility

#### Who Is Eligible to Receive CHAMPVA Benefits?<sup>19</sup>

Eligibility for CHAMPVA requires inclusion in one of the following categories:<sup>20</sup>

- 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),<sup>21</sup> and is not eligible for TRICARE and does not have any other form of health insurance coverage such as Medicare, Medicaid, or private health insurance.<sup>22</sup>

<sup>18</sup> This part was drawn from Department of Veterans Affairs, *CHAMPVA Guide*, at [https://www.va.gov/COMMUNITYCARE/docs/pubfiles/programguides/champva\\_guide.pdf](https://www.va.gov/COMMUNITYCARE/docs/pubfiles/programguides/champva_guide.pdf); *CHAMPVA Operational Policy Manual*, located at [https://www.vha.cc.va.gov/system/templates/selfservice/va\\_ssnew/help/customer/locale/en-US/portal/55440000001036/content/554400000010845/Master-Table-of-Contents](https://www.vha.cc.va.gov/system/templates/selfservice/va_ssnew/help/customer/locale/en-US/portal/55440000001036/content/554400000010845/Master-Table-of-Contents) (accessed on September 25, 2024); and Department of Veterans Affairs, Veterans Health Administration, *Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) program*, VHA DIRECTIVE 1601D.05, amended July 7, 2022.

<sup>19</sup> Currently, those applying for the CHAMPVA program are required to fill out VA Form 10-10d and mail or fax the completed document to the VHA Office of Integrated Veteran Care (IVC). Beneficiaries who have other health insurance plans are also required to complete a secondary form, VA Form 10-7959c. Those with Medicare are required to submit a copy of the applicant’s Medicare card. Applicants who are 65 or older and who are not entitled to Medicare must also submit documentation from the Social Security Administration (SSA) confirming that Medicare benefits are not being utilized under a different Social Security number. Depending on the beneficiary’s relationship to the veteran, applicants may need to submit VA’s disability rating decision, marriage license or certificate, birth certificate, adoption court order, and school certification letter. Veterans Experience Office (VEO) has provided feedback to IVC that online forms are a common need expressed by CHAMPVA applicants and beneficiaries. Currently, IVC has initiated a five-year online modernization initiative to develop an online portal for CHAMPVA beneficiaries with an estimated completion date of FY2029. (Sources:

<https://www.va.gov/COMMUNITYCARE/programs/dependents/champva/champva-apply.asp>; Department of Veterans Affairs, *Report To Congress On CHAMPVA Electronic Application Filing* provided to the Senate and House Committees on Appropriations, June 2024; and Office of Integrated Veteran Care (IVC) Quarterly Briefing to Congressional Staff, July, 2024).

<sup>20</sup> 38 U.S.C. §1781; 38 C.F.R. §17.270-17.278; 38 C.F.R. §71.25.

<sup>21</sup> For more information, see CRS Report R46282, *Department of Veterans Affairs: Caregiver Support*.

<sup>22</sup> Primary Family Caregiver means an individual who meets the requirements specified in 38 C.F.R. §71.25. Other forms of health insurance coverage are defined in 38 U.S.C. §1725(f).

## 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,<sup>23</sup> for CHAMPVA is terminated

- at age 18, if the child is not enrolled in an accredited educational institution (part-time or full-time);<sup>24</sup> or
- at age 23, if the child is enrolled as either a part-time or full-time student at an accredited educational institution;<sup>25</sup> or
- if the child marries; or
- if the child is a stepchild, upon no longer living in the household of the sponsor.

## 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.<sup>26</sup> This ACA requirement did not apply to the

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<sup>23</sup> A child who, before the age of 18, becomes permanently incapable of self-support and is rated as a helpless child by 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 October 2, 2024).

<sup>24</sup> In *Petite v. McDonough*, 35 Vet. App. 64, 73 (2021), the court held that “an individual who is between ages 18 and 23 and who otherwise meets the requirements of [38 U.S.C.] sections 101(4)(A)(iii) and 1781(a) qualifies as a “child” for CHAMPVA purposes if he or she is “pursuing a course of instruction at an approved educational institution,” regardless of whether that course of instruction is part-time or full-time.

<sup>25</sup> The Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) required 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. Although a child 18 years old or older generally loses eligibility for CHAMPVA benefits if they disenroll from an accredited educational institution, a child who disenrolls from a *full-time* program due to incurring a disabling injury or illness can retain eligibility for a brief period. In such a circumstance, eligibility will continue until (1) six months after the disability is removed, (2) two years from the onset of the disability or illness, or (3) on the child's 23<sup>rd</sup> birthday, whichever occurs first. Department of Veterans Affairs, Veterans Health Administration, *Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) program*, VHA DIRECTIVE 1601D.05, amended July 7, 2022.

<sup>26</sup> For more information, see CRS Report R42069, *Private Health Insurance Market Reforms in the Patient Protection and Affordable Care Act (ACA)* (available to congressional clients upon request).

CHAMPVA program. CHAMPVA beneficiaries between the ages of 18 and 23 who are enrolled in an accredited school as a full-time or part-time student and are not married remain eligible until their 23<sup>rd</sup> birthday.

Since the 111<sup>th</sup> 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).<sup>27</sup> However, none of the bills have been enacted into law as of the date of this report.<sup>28</sup>

## 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 Select plan.<sup>29</sup> Chiropractic services, routine eye examinations, hearing aids, and most dental benefits are excluded from both the federal CHAMPVA and certain TRICARE programs.<sup>30</sup>

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 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.<sup>31</sup> For

<sup>27</sup> During the 111<sup>th</sup> 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). 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 112<sup>th</sup> Congress, S. 490 and H.R. 115 were introduced. In the 113<sup>th</sup> Congress, the CHAMPVA Children's Protection Act of 2013 (H.R. 288) and a similar measure (S. 325) were introduced. In the 114<sup>th</sup> 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 115<sup>th</sup> Congress, the CHAMPVA Children's Protection Act of 2017 (H.R. 92 and in the Senate S. 423) was introduced. In the 116<sup>th</sup> Congress, the CHAMPVA Children's Care Protection Act of 2019 (H.R. 2094 and in the Senate S. 1034) was introduced. In the 117<sup>th</sup> Congress, the CHAMPVA Children's Care Protection Act of 2021 (H.R. 1801 in the House and in the Senate S. 727) was introduced. In the 118<sup>th</sup> Congress, CHAMPVA Children's Care Protection Act of 2023 (H.R. 2414 in the House and in the Senate S. 1119) has been introduced.

<sup>28</sup> The Explanatory Statement accompanying the Consolidated Appropriations Act, 2021 (P.L. 116-260), included the following language: “*Expansion of the Civilian Health and Medical Program of VA (CHAMPVA)*—The Department is directed to provide a report [to Congress] on the feasibility and advisability, including cost estimates, for providing medical care under CHAMPVA to eligible children up to age 26 regardless of student or marital status. The Department should provide this report no later than 270 days after enactment of this Act.”

<sup>29</sup> 38 U.S.C. §1781(b). In 2018, TRICARE Standard and TRICARE Extra plans were replaced by TRICARE Select. TRICARE Select is a self-managed, preferred provider network plan. (For more information on TRICARE health plans, see CRS Report R45399, *Military Medical Care: Frequently Asked Questions*.)

<sup>30</sup> 38 C.F.R. §17.272.

<sup>31</sup> 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](https://www.va.gov/COMMUNITYCARE/docs/pubfiles/factsheets/FactSheet_01-20.pdf).

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:<sup>32</sup>

- nonemergency inpatient mental health and substance abuse care;
- admission to a Partial Hospital Program (PHP);
- dental care with some exceptions;<sup>33</sup>
- durable medical equipment with a purchase or total rental price in excess of \$2,000; and
- organ transplants.

## What Is the CHAMPVA Policy on Abortion?<sup>34</sup>

The CHAMPVA program covers abortion counseling or abortion procedures when the “life or the health of the pregnant [CHAMPVA] beneficiary would be endangered if the pregnancy were carried to term.”<sup>35</sup> According to VA regulations, “assessment of the conditions, injuries, illnesses, or diseases that will qualify for this care will be made by appropriate health care professionals on a case-by-case basis.”<sup>36</sup> Furthermore, abortion procedures are permitted “when the pregnancy is the result of an act of rape or incest. Self-reporting from the pregnant beneficiary constitutes sufficient evidence that an act of rape or incest occurred.”<sup>37</sup>

## 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.<sup>38</sup> The patient typically pays the cost 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 an annual \$3,000 cap on cost sharing per CHAMPVA-eligible family. After the annual catastrophic cap is met, CHAMPVA pays 100% of the allowable amount for covered services for the rest of the calendar year. There is also an exception to the payment scheme outlined here for instances in which medical services

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<sup>32</sup> 38 C.F.R. §17.273.

<sup>33</sup> 38 C.F.R. §17.272(a)(21) .

<sup>34</sup> See, Department of Veterans Affairs, “Reproductive Health Services-Interim Final Rule,” 87 *Federal Register* 55287-55296, September 9, 2022; Department of Veterans Affairs, “Reproductive Health Services-Final Rule,” 89 *Federal Register* 15451-15474, March 4, 2024; and CRS Report R47191, *Department of Veterans Affairs: Abortion Policy*.

<sup>35</sup> 38 C.F.R. §17.272(a)(64)(i).

<sup>36</sup> Department of Veterans Affairs, “Reproductive Health Services-Final Rule,” 89 *Federal Register* 15464, March 4, 2024.

<sup>37</sup> 38 C.F.R. §17.272(a)(64)(ii).

<sup>38</sup> An allowable amount is the maximum payment that is authorized by the VA for a covered medial service or supply.

are rendered through VA facilities participating in the CHAMPVA In-house Treatment Initiative (CITI).<sup>39</sup>

## 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.<sup>40</sup>

## How Are CHAMPVA Claims Processed?

CHAMPVA beneficiary claims are processed through the VHA Office of Integrated Veteran Care in Denver, CO.<sup>41</sup> As of August 2023, VA is following the Department of the Treasury's requirement to use electronic funds transfer (EFT) for CHAMPVA claim payments for providers.<sup>42</sup> 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.<sup>43</sup>

## Other Programs

### What Is the Difference Between CHAMPVA and TRICARE?

TRICARE is a health care program run by the DOD for active duty servicemembers, military retirees 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.<sup>44</sup> The sponsoring veteran does not receive services through CHAMPVA, as he or she is

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<sup>39</sup> 38 C.F.R. §17.274.

<sup>40</sup> 38 C.F.R. §17.275.

<sup>41</sup> For CHAMPVA beneficiaries filing a claim, see <https://www.va.gov/COMMUNITYCARE/programs/dependents/champva/champva-claim.asp> and <https://www.va.gov/COMMUNITYCARE/docs/pubfiles/brochures/HowToFileACHAMPVAClaim.pdf> (accessed October 3, 2024).

<sup>42</sup> For providers filing a claim, see *CHAMPVA—Information for Outpatient Providers and Office Managers*, available at [https://www.va.gov/COMMUNITYCARE/docs/pubfiles/factsheets/FactSheet\\_01-20.pdf](https://www.va.gov/COMMUNITYCARE/docs/pubfiles/factsheets/FactSheet_01-20.pdf) (accessed October 3, 2024).

<sup>43</sup> Department of Veterans Affairs, “(CHAMPVA): Preauthorization of Durable Medical Equipment,” 74 *Federal Register* 31373, July 1, 2009.

<sup>44</sup> For further information on TRICARE, see CRS Report R45399, *Military Medical Care: Frequently Asked Questions*; CRS Insight IN11532, *TRICARE Cost-Sharing Changes in 2024*; also <http://www.tricare.mil/>; relevant regulations are at 32 C.F.R. §199.

eligible to receive services through the VA. Dependents of military retirees<sup>45</sup> are not eligible for CHAMPVA, and may 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.<sup>46</sup> Beginning in 2014, the ACA requires most individuals who do not maintain minimum essential insurance coverage—and do not qualify for an exemption—to 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

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<sup>45</sup> 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, air, or space 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.

<sup>46</sup> For more information, see CRS Report R44438, *The Individual Mandate for Health Insurance Coverage: In Brief*.

mandate penalty when filing their taxes.<sup>47</sup> The penalty was in effect through 2018; beginning in 2019, the penalty was effectively eliminated (i.e., beginning in 2019, individuals who do not comply with the mandate do not have to pay the penalty). If a CHAMPVA enrollee wishes to purchase additional health care insurance from the health insurance marketplace (exchanges),<sup>48</sup> he or she would not qualify for premium credits and subsidies.<sup>49</sup> However, he or she may still purchase private health insurance, as well as dental or vision insurance, to complement CHAMPVA coverage.

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<sup>47</sup> See, Department of the Treasury, Internal Revenue Service, “Health Insurance Premium Tax Credit,” *77 Federal Register* 30388, May 23, 2012.

<sup>48</sup> 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*.

<sup>49</sup> For more information, see CRS Report R44425, *Health Insurance Premium Tax Credit and Cost-Sharing Reductions*.

## 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 Users, by State

**Table B-I. CHAMPVA-Enrolled Beneficiaries and Users, by State, FY2023**

State	Enrolled	Users
Alabama	16,053	11,753
Alaska	1,412	871
Arizona	17,542	11,951
Arkansas	12,128	9,283
California	49,406	25,881
Colorado	10,689	7,037
Connecticut	2,977	2,087
Delaware	1,604	1,126
District of Columbia	272	110
Florida	59,591	41,253
Georgia	29,524	20,174
Hawaii	2,352	1,282
Idaho	4,793	3,527
Illinois	15,648	10,661
Indiana	10,373	7,615
Iowa	5,282	3,927
Kansas	5,192	3,683
Kentucky	11,351	9,066
Louisiana	10,822	7,925
Maine	5,653	4,404
Maryland	7,083	4,261
Massachusetts	7,114	5,039
Michigan	19,210	13,770
Minnesota	11,705	8,732
Mississippi	7,754	5,819
Missouri	15,581	11,581
Montana	3,469	2,478
Nebraska	5,323	4,098
Nevada	8,898	5,650
New Hampshire	2,720	1,960
New Jersey	9,017	6,071
New Mexico	6,927	4,964

State	Enrolled	Users
New York	17,170	11,146
North Carolina	40,286	29,600
North Dakota	1,800	1,343
Ohio	20,055	14,419
Oklahoma	21,520	16,450
Oregon	11,846	8,745
Pennsylvania	18,862	13,472
Rhode Island	1,421	1,018
South Carolina	20,151	14,954
South Dakota	2,436	1,865
Tennessee	20,442	15,392
Texas	84,308	56,179
Utah	4,311	2,982
Vermont	957	701
Virginia	18,498	12,867
Washington	13,589	9,344
West Virginia	9,000	7,083
Wisconsin	12,807	9,721
Wyoming	1,441	1,020
American Samoa	180	24
Guam	477	223
N. Mariana Islands	45	15
Puerto Rico	4,664	1,269
Virgin Island	58	24
Overseas DOD Post Office	226	37
Foreign <sup>a</sup>	815	127
<b>Total</b>	<b>704,830</b>	<b>488,059</b>

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

**Notes:** Enrollees are those who were eligible for CHAMPVA coverage on one or more days at any time during the reported fiscal year. A user is someone who had one or more medical claims and where the VHA paid for at least a portion of the covered medical care. Both are counts of unique individuals.

a. CHAMPVA beneficiary lives in a foreign country.

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