

(4) Contract hospital care in the Veterans' Memorial Hospital, Republic of the Philippines, for a "veteran of any war" for nonservice-connected disability if he is unable to pay (38 USC 624); and

(5) Two-year presumption of service connection for hospitalization or treatment of psychosis (38 USC 602.)

RECOMMENDATION NO. 48

The Commission recommends that veterans with nonservice-connected disabilities and who have reached the age of 65 not be required to sign an affidavit stating they are unable to pay the cost of hospital care.

Background to Recommendation:

In 1924, Congress authorized the Veterans Bureau to use excess hospital facilities to care for veterans with nonservice-connected disabilities who could not afford to pay for care in private hospitals. In subsequent legislation, the veteran was required to sign an oath that he could not afford to pay for hospital care.

In 1962, the VA initiated an ability to pay criterion computation and counseling program. If this formula identified the veteran as being able to pay for care, he was counseled. Approximately 18 percent of the veterans counseled withdrew their applications.

The criterion program has furnished detailed statistical information on veterans with nonservice-connected disabilities who have applied for VA care. The economic profile of veterans age 65 and over reveals that they have a median annual income of \$2,760 and significantly less hospital insurance coverage and ready assets than other veteran groups. Nearly one-half of the older veterans who apply for care receive VA pension. Medically, this group requires care more frequently and suffers disabilities that result in longer periods of hospitalization.

Given these economic and medical characteristics, the Commission believes that the continuing application of the ability to pay affidavit seems to serve no real purpose. In fact, elimination of the counseling procedure would expedite the VA's admitting procedure. We therefore recommend that ability to pay the cost of hospital care shall not be a factor in hospital admission for veterans who have attained the age of 65.