



**DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Washington, DC 20420**

In Reply Refer To: 28

June 27, 2012

VR&E Letter 28-12-32

Director (00/28)
VA Regional Officers and Centers

SUBJ: Clarification on the Payment of Student Health Fees for Veterans participating in VA's Chapter 31 Program

Purpose

This letter clarifies the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) Service policy regarding the payment of student health fees.

Background

Recent questions from the field have resulted in review and clarification of guidance and procedures regarding the payment of student health fees for Veterans attending institutions of higher learning under the Chapter 31 program.

Applicable Citations

38 USC 3104
38 USC 3115
38 CFR 21.262
VA Acquisition Regulation (VAAR) 831.7001-4
M28-1, Part II, Chapter 3
M28-1, Part III, Chapter 5

Clarification

VR&E may pay student health fees as a part of established school costs. Under 38 USC 3104(a)(7) and VA Acquisition Regulation (VAAR) 831.7001-4, VA may pay the customary student health fees for a Chapter 31 participant when payment of the fee is required for similarly circumstanced non-Veteran students. Payment of such fees should be paid from Readjustment Benefit (RB) funds.

Example:

A school requires all students to have health care insurance coverage. The purpose is to ensure each student has access to medical care and can maintain good health, which is essential for academic success. Although the health care insurance fee is assessed to all students as part of the school's established fee schedule, some schools allow a waiver to be granted if the student provides proof of health insurance coverage.

- Findings:

Many Chapter 31 participants receive health care services from VA's Veterans Health Administration (VHA). However, VHA is a provider of medical services, not a provider of health insurance coverage.

- Decision:

Since the school requires all students to have health care insurance coverage, and VHA is not a health care insurance coverage provider, VR&E may pay the school's health/insurance fees on behalf of the Chapter 31 participant.

Prohibited School Health Fees/Expenses

VR&E cannot approve payment for:

- student health fees that encompass health coverage for a Chapter 31 participant's dependent;
- medical services rendered to a Chapter 31 participant;
- medical services rendered to a Chapter 31 participant's dependent;
- co-payments; or
- deductibles

If VR&E is billed for any type of medical service rendered or any fees and expenses related to dependents, VR&E must immediately contact the school, explain the issue, and request a corrected invoice.

Medical Services

In accordance with M28-1, Part III, Chapter 5, VHA is the primary resource for the provision of necessary medical treatment, care and services. However, any medical services other than those covered under the student health care plan offered by the school may be authorized under an agreement between the VHA and the health care facility. Before the execution of such agreement, VHA must determine whether or not there is a need for service, and may authorize the needed services on a contract or fee basis.

Situations concerning the authorization, provision, and payment of medical treatment or services for Chapter 31 participants and their dependant(s) are under the authority of the Veterans Health Administration, per 38 USC 3104(a)(9).

Contact Information

Questions or concerns may be directed to your area VR&E Field Liaison at the email address listed below, or by telephone at (202) 461-9600.

| Area | Primary | Alternate | E-mail |
|-------------|-----------------|------------------|--------------------|
| Eastern | Teri Nguyen | Vacant | VAVBAWAS/CON/RE/EA |
| Southern | Vacant | Teri Nguyen | VAVBAWAS/CON/RE/SA |
| Central | Aimee Speers | Melinda Sargent | VAVBAWAS/CON/RE/CA |
| Western | Melinda Sargent | Aimee Speers | VAVBAWAS/CON/RE/WA |

/s/
R. A. Fanning
Director, Vocational Rehabilitation
and Employment Service