Veterans Affairs Canada | Anciens Combattants Canada

Treatment Allowances

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Purpose

This policy provides direction with respect to the provision of treatment allowance under the *Veterans Health Care Regulations* *(VHCR)*.

Policy

General

1. Treatment allowances are payments made to eligible pensioners (Veteran pensioners, civilian pensioners, military service pensioners, members who are entitled to a pension under the *Pension Act* for a disability related to military service other than World War I or World War II, service in a theatre of operations as defined in the Veterans Benefit Act or special duty service, Red Cross pensioners, flying accident pensioners, and special duty service pensioners or members who are entitled to a pension under the *Pension Act* for a disability attributable to or incurred during special duty service) for a period of acute care for a pensioned condition provided in a hospital or on an out-patient basis.
2. Treatment allowances may be paid to an eligible pensioner:
    a. during periods of hospitalization or on an out-patient basis for acute care of a pensioned condition, when the care is prescribed by a treating physician and a consulting departmental medical officer has confirmed the care to be “acute care”; or
    b. when the person undergoes a medical examination as requested by the Veterans Review and Appeal Board and is hospitalized in order to undergo the examination.
3. Treatment allowances are payable to eligible pensioners, however, treatment allowances are not payable to clients who are entitled to a Disability Award or Pain and Suffering Compensation under the *Veterans Well-being Act* (VWA).

4. A treatment allowance is payable at a rate that is equal to the difference between the monthly pension (pension as defined in section 2 of the VHCR) paid to the client, including any additional pension paid for a spouse, or common-law partner or dependant of the client, and the amount that the client would receive were the client in receipt of a class 1 pension under Schedule I of the *Pension Act*.
    a. For a client having more than one pensioned condition, e.g. 10% hernia repair and 30% shrapnel wound (total of 40% pension in pay), the rate of treatment allowance would be calculated by deducting from the applicable 100% rate of a pension. In this example, the client would receive treatment allowance at the rate of 60% (i.e. 100% less 40%) during periods of acute care of either or both the pensioned hernia or shrapnel conditions.
    b. If a client is in receipt of other compensations such as a Prisoner of War Compensation or a Disability Award, or Pain and Suffering Compensation, these are not considered when calculating treatment allowance as they are not considered part of the client's pension. For example a client receiving disability pension(s) at 70% and disability award(s) or pain and suffering compensation at 20%, the client would receive a 30% treatment allowance during periods of acute care for the pensioned conditions.
5. Treatment allowance payments are not considered to be prescribed sources of income when calculating the income replacement benefit for eligible clients under the *Veterans Well-being Act*.
6. VAC administers treatment allowance for eligible RCMP members. Discharged RCMP members are eligible for treatment allowance for in-patient acute care for a pensioned condition. This group is not eligible for treatment allowance for any out-patient care. Still serving RCMP members are not eligible for treatment allowance (see Eligibilities for Health Care Programs – Royal Canadian Mounted Police).
7. Acute care refers to the episodic, short duration aspect of the clients' medical needs such as an acute illness or injury or recovering from surgery. Acute care phases are typically periodic or temporary in nature.
8. Clients' ability to perform their usual activities of daily living (ADL) may be considered when determining if a client still requires acute care. Many clients will be able to perform their usual ADL after a period of acute care, however, some clients may never return to their usual ADL.
9. Clients' return-to-work-date is not considered when determining a period of acute care. For example a fire fighter who has knee surgery may not be able to return to work for 6 months post surgery, however, the entire six month period would not be considered a period of acute care.

Consequential Conditions

10. Clients who have been granted a pension from VAC for a condition that is a consequence of a pensioned condition (commonly referred to as "a consequential condition"), are eligible for treatment allowances during periods of acute care of the consequential condition as this condition is also considered a pensioned condition.

Retroactivity of Eligibility

11. Regardless of the retroactivity of a pension entitlement's effective date, claims must be made for a treatment allowance within 18 months of the day on which the acute care occurred for a pensioned condition (see Payment Time Limits for Benefits, Services or Care).

Persons not Receiving a Pension

12. A person, who is not receiving a pension at the time they receive acute care, is eligible for treatment allowance for that acute care only if:

a. they apply for a pension within 90 days of receiving the acute care; and
b. they subsequently receive the pension. (see Payment Time Limits for Benefits, Services or Care Policy).

Time Limits

13. A treatment allowance is payable for a maximum of 60 days in any calendar year.
14. The 60-day limit can be the cumulative total of several episodes of acute care or of only one episode. It includes the total number of days of acute care received on both a hospital and an out-patient basis.
15. When a client has more than one pensioned condition, the 60 days refer to the total number of days of acute care received for all pensioned conditions, not for each condition.
16. The Minister may authorize the payment of a treatment allowance to a client for more than 60 days in a calendar year if a medical assessment indicates the client's need for acute care for the pensioned condition.

Pensions Suspended, Withdrawn, Discontinued, or Reduced

17. If eligibility for a pension has been suspended, withdrawn, or discontinued, a client is not eligible for treatment allowance for any period of acute care for that condition unless and until a decision is made that reinstates the client's pension eligibility for that period.
18. If a pensioned condition has been assigned a temporary low assessment or was temporarily lowered for payment purposes, and the client requires acute care for that condition before the assessment is confirmed; then to avoid overpayments of treatment allowances based on the lower temporary assessment the Department should;
    a. withhold calculation and payment of the treatment allowance until such date as the condition is appropriately assessed, or
    b. calculate the treatment allowance in respect to the temporary assessment and then deduct any allowance overpayment from the pension payment(s) payable once the appropriate assessment is confirmed.

References

Pension Act

Veterans Well-being Act

Veterans Health Care Regulations

Eligibilities for Health Care Programs - Royal Canadian Mounted Police

Payment Time Limits for Benefits, Services or Care