Appendix A

Interim Award Adjustment Procedures in VBMS-A for *Barry* SMC Claims (Hospitalization Adjustments)

The Purpose

Provide claims processors with steps to manually correct the rates after award generation when a claim impacted by *Barry* **and a hospitalization adjustment is necessary**.

When processing *Barry* SMC claims, there are instances where VBMS-R does not allow the correct Hospital SMC code to be selected on the code sheet. The Basic SMC code will populate correctly, but the RVSR may be required to choose an incorrect Hospital SMC code. When this occurs, a rating decision code sheet note will be added to document the correct Hospital SMC code. For claims where no reduced hospitalization rate under 38 CFR 3.552 is required, no additional processing steps are needed as long as the Basic SMC rates generate properly. It is also important to note that not all *Barry* SMC grants will involve an incorrect Hospital SMC code.

However, when a hospitalization adjustment under 38 CFR 3.552 is required because the Veteran is hospitalized at VA expense, additional processing steps will be necessary. For reference, see also M21-1 X.iii.1.C, *Adjusting Awards Involving an Aid and Attendance Allowance.*

In these situations, first attempt to resolve the issue by using the Rating tab in VBMS-A to adjust the Hospital SMC code.

If the issue cannot be corrected using the Rating tab, the following steps may be used to resolve it through the **Replace Gross Rate** function within the Award Adjustment tab in VBMS-A.

The Process

When processing a *Barry* SMC award when a hospitalization adjustment is required but the Hospital SMC is not coded correctly on the rating code sheet, it will be necessary to look up the correct hospitalization rates from the VA Disability Compensation rate tables. The rates and dates automatically generated by VBMS-A will need to be manually overridden using the Replace Gross Rate function.

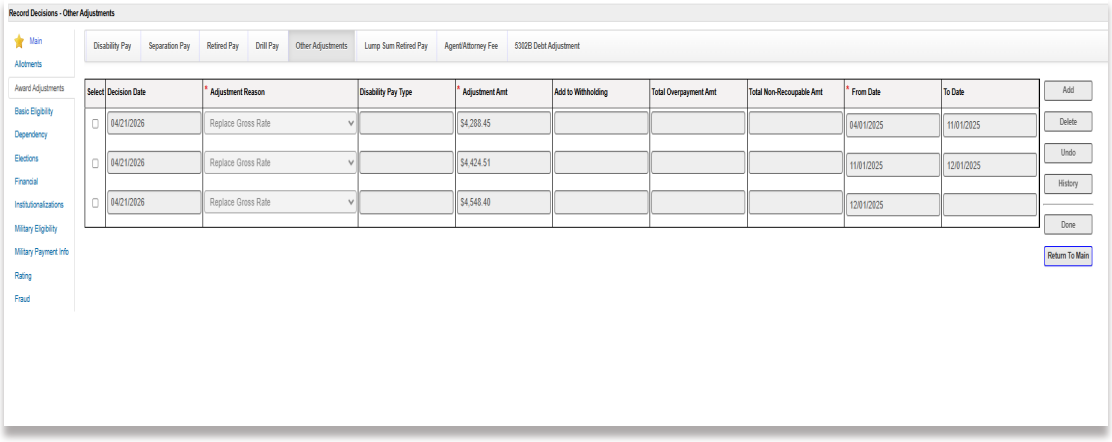
1. Although not required, a good starting point is to generate a “dummy” award to allow VBMS-A to automatically build the award, even if the code sheet contains an incorrect Hospital SMC code. *Barry* SMC cases often involve multiple SMC levels with different effective dates. Letting VBMS-A generate the award first can help identify all award lines that will require a Replace Gross Rate adjustment.

Save a copy of the “dummy” award, then return the award to make the required adjustments.

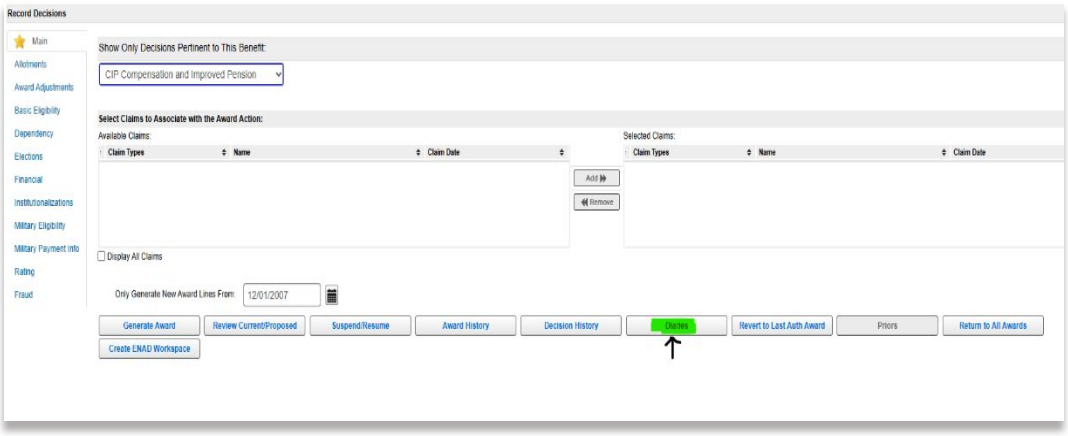
2. Review the hospitalization reduction rules under 38 CFR 3.552, as outlined in M21-1 X.iii.1.C, *Adjusting Awards Involving an Aid and Attendance Allowance*. Determine the correct effective dates for both the reduction and any potential restoration of full benefits.

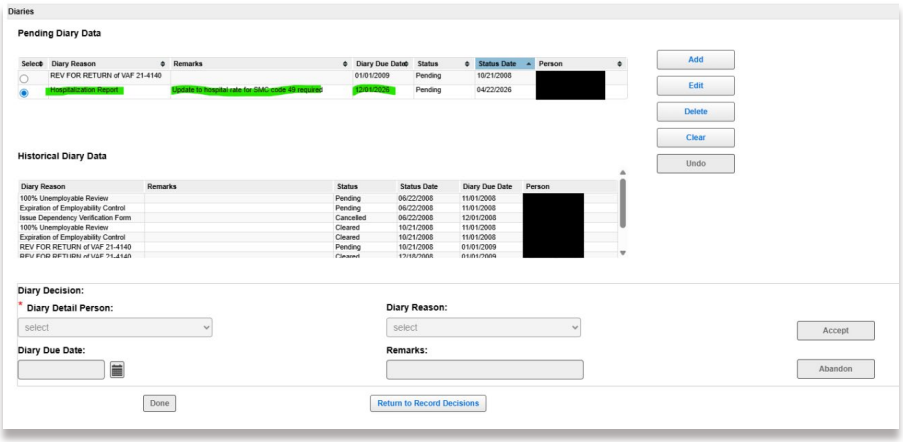
3. Locate the correct hospitalization rates for the Hospital SMC rate identified in the rating decision code sheet note by consulting the VA Disability Compensation rate tables. Refer back to the “dummy” award to ensure you have identified the correct SMC rate for each award line affected by the hospitalization adjustment (for example, legislative adjustments, rating adjustments, and so on).

4. Navigate to the *Other Adjustments* screen under the *Award Adjustments* tab. Add **Replace Gross Rate** adjustment reasons for each impacted award line. Enter the correct Hospital SMC rate from the rate tables in the Adjustment Amt field. Ensure that a **Replace Gross Rate** adjustment is added to all applicable award lines. When all adjustments are added, select the *Return to Main* button.



5. From the *Record Decisions* screen, select the *Diaries* button. On the *Diaries* screen, add diary code 31 (Hospitalization Report) with a due date of the upcoming December 1. In the comments field enter: “Update to hospital rate for SMC code XX required” and include the correct Hospital SMC code from the rating decision code sheet note. Because *Barry* SMC claims require manual Hospital SMC rate overrides, these awards will not receive the automatic December legislative increase. The purpose of this diary is to ensure the award is reviewed on the due date so the annual legislative adjustment is applied correctly. After adding the diary code and comment, return to the *Record Decisions* screen.





6. From the *Record Decisions* screen, generate the award. When the eDoc is Generated, include remarks clearly explaining the Hospital SMC rate shown in the rating decision code sheet SMC table is not correct. Note the correct SMC code from the rating decision code sheet note was used to implement the hospitalization reduction.

7. After the award is authorized and concurred, locate the Award Print uploaded in VBMS and edit its properties to add the following subject note: "*Barry* SMC Hospitalization Rate Override."

8. When emailing OAR to update the *Barry* SMC tracker, clearly indicate the claim involved an SMC hospitalization adjustment.