

FOR FURTHER INFORMATION CONTACT: Inez E. De Jesus at 1-888-912-1227, or 954-423-7977.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. (1988) that an open meeting of the Area 2 Taxpayer Advocacy Panel will be held Wednesday, February 21, 2007, at 2:30 p.m. ET via a telephone conference call. If you would like to have the TAP consider a written statement, please call 1-888-912-1227 or 954-423-7977, or write Inez E. De Jesus, TAP Office, 1000 South Pine Island Rd., Suite 340, Plantation, FL 33324. Due to limited conference lines, notification of intent to participate in the telephone conference call meeting must be made with Inez E. De Jesus. Ms. De Jesus can be reached at 1-888-912-1227 or 954-423-7977, or post comments to the Web site: <http://www.improveirs.org>.

The agenda will include the following: Various IRS issues.

Dated: January 24, 2007.

John Fay,

Acting Director, Taxpayer Advocacy Panel.

[FR Doc. E7-1553 Filed 1-31-07; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF VETERANS AFFAIRS

Means Test and Geographic Thresholds

AGENCY: Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: Each year VA establishes, by directive, new means test thresholds and geographic income limits.

DATES: These rates are effective January 1, 2007.

FOR FURTHER INFORMATION CONTACT: Roscoe Butler, Deputy Director, Business Policy, Chief Business Office (CBO) (163), Veterans Health Administration (VHA), 810 Vermont, NW., Washington, DC 20420 (202) 254-0329. This is not a toll-free number.)

Department of Veterans Affairs.	VHA DIRECTIVE 2006-064.
Veterans Health Administration Washington, DC 20420.	December 19, 2006.

Means Test and Geographic-Based Means Test Thresholds for Calendar Year 2007

1. Purpose

This Veterans Health Administration (VHA) Directive provides the Means Test Thresholds, Medicare Deductible Rate, and Child Income Exclusion for calendar year 2007. In addition, this Directive provides an

internet link to the United States (U.S.) Housing and Urban Development's (HUD) income limits for Fiscal Year (FY) 2006 for use by VHA in calendar year 2007.

2. Background

a. Title 38 United States Code (U.S.C.) Section 1722(c) requires that on January 1 of each year, the Secretary of Veterans Affairs increase the means test threshold amounts by the same percentage the maximum rates of pension benefits were increased under 38 U.S.C. 5312(a) during the preceding calendar year. Under the provisions of 38 U.S.C. 5312, the Department of Veterans Affairs (VA) is required to increase the benefit rates and income limitations in the pension and parents' Dependency and Indemnity Compensation (DIC) Program by the same percentage and effective date as increases in the benefit amounts payable under Title II of the Social Security Act.

b. On November 13, 2006, the Veterans Benefits Administration (VBA) announced that effective December 1, 2006, veterans' benefits will receive an increase of 3.3 percent.

c. Public Law 107-135, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001, directed VA to implement a Geographic-based Means Test (GMT) (see 38 U.S.C. Section 1705(a)(7)). VA uses HUD's "low-income" geographic-based income limits as the thresholds for VA's GMT. **Note:** The Health Eligibility Center (HEC) controls the GMT for VA; as such, HEC will install Patch IVMB*2.0*905 before January 1, 2007. A veteran's income from the previous year is compared with the appropriate GMT threshold for the previous fiscal year to determine if the veteran should be placed in priority category 7. The "low income" geographic-based income thresholds for FY 2006 can be found at: <http://www.va.gov/healtheligibility/Library/pubs/GMTIncomeThresholds/>

d. Definitions.

(1) "Below the means test threshold." "Below the means test threshold" is defined as those veterans whose attributable income and net worth are such that they are unable to defray the expenses of care; therefore, they are not subject to co-payment charges for hospital and outpatient medical services. Within the Veterans Health Information Systems and Technology Architecture (Vista) system such veterans are designated as "Means Test Copay Exempt."

This VHA Directive Expires December 31, 2007

(2) "Above the means test and GMT threshold." "Above the means test and GMT threshold" is defined as those veterans whose attributable income and net worth are such that they are able to defray the expenses of care; therefore they must agree to pay a co-payment for hospital care and outpatient medical services. Within the Vista system these veterans are designated as "Means Test Copay Required."

(3) "Above the means test and below the GMT threshold." "Above the means test and below the GMT threshold," is defined as those veterans whose attributable income and net worth are such that they are able to

defray the expense of care, but whose inpatient medical care co-payments are reduced 80 percent. These veterans must also agree to pay a co-payment for hospital care and outpatient medical services. Within the Vista system these veterans are identified as "GMT Copay Required."

Note: Veterans subject to means test and GMT co-payments may be responsible for applicable co-payments for outpatient medications and/or extended care services.

3. **Policy:** It is VHA policy that all VA health care facilities must install patches DG*5.3*734, EAS*1.0*78, and IB*2.0*362 before January 1, 2007.

Note: The Health Eligibility Center (HEC) controls the GMT for VA; as such, HEC will install Patch IVMB*2.0*905 before January 1, 2007. The new means test, net worth, and GMT threshold rates are effective January 1, 2007.

4. Action.

a. **Medical Facility Director.** Before January 1, 2007, each medical facility Director, or designee, is responsible of installing patches DG*5.3*734, EAS*1.0*78, and IB*2.0*362.

Note: The new means test and GMT threshold rates are effective January 1, 2007. Do *not* manually load or edit the new rates indicated within this Directive into the Vista System. All updates must be made using the released patches.

b. **Means Test Thresholds.** The following new Means Test Thresholds are effective January 1, 2007, through December 31, 2007:

(1) Veterans with No Dependents:

- (a) Below Means Test Threshold: \$27,790.
- (b) Above Means Test Threshold: \$27,791.

(2) Veterans with One Dependent:

- (a) Below Means Test Threshold: \$33,350.
- (b) Above Means Test Threshold: \$33,351.

(3) Veterans with Two Dependents:

- (a) Below Means Test Threshold: \$35,216.
- (b) Above Means Test Threshold: \$35,217.

(4) Veterans with Three Dependents:

- (a) Below Means Test Threshold: \$37,082.
- (b) Above Means Test Threshold: \$37,083.

(5) Veterans with Four Dependents:

- (a) Below Means Test Threshold: \$38,948.
- (b) Above Means Test Threshold: \$38,949.

(6) Veterans with Five Dependents:

- (a) Below Means Test Threshold: \$40,814.
- (b) Above Means Test Threshold: \$40,815.

c. **Dependent Threshold Amount Increase (above two dependents):** \$1,866.

d. **Child Income Exclusion:** \$8,750.

e. **Medicare Deductible:** \$992.

f. **Income and/or Asset threshold for Net Worth Development:** \$80,000.

g. **Maximum Annual Rate of Pension:** Base rate.

(1) The base rate for a single veteran with no dependents is \$10,929.

Note: This rate is also used to determine if certain veterans are subject to co-payments for Extended Care Services.

(2) The base rate with one dependent is \$14,313.

(3) Add \$1,866 for each additional dependent.

h. The Medication Co-payment Threshold effective date is January 1 of each year.

5. References

- a. Title 38 U.S.C. 1705(a)(7) and 1722.

b. Title 38 Codes of Federal Regulations (CFR) Sections 17.36(b)(7), 17.47(d), and 17.47(f).

6. *Follow-Up Responsibility*: The Chief Business Office (16) is responsible for the contents of this Directive. Questions may be addressed to 202-254-0406.

7. *Rescissions*: VHA Directive 2005-064 is rescinded. This VHA Directive expires December 31, 2007.

Michael J. Kussman,

Acting Under Secretary for Health.

Dated: January 26, 2007.

Gordon H. Mansfield,

Deputy Secretary of Veterans Affairs.

[FR Doc. E7-1657 Filed 1-31-07; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

Copayment for Medication

AGENCY: Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: The Department of Veterans Affairs (VA) is hereby giving notice that there is no change in the medication copayment rate for Calendar Year 2007 and the rate will remain at \$8.00. The total amount of copayments in a calendar year for a veteran enrolled in one of the priority groups 2 through 6

shall not exceed the cap of \$960.00. These rates are based on the Prescription Drug component of the Medical Consumer Price Index as cited in Title 38, Code of Federal Regulations, Part 17, Section 17.110.

FOR FURTHER INFORMATION CONTACT:

Tony Guagliardo, Director, Business Policy (163), Veterans Health Administration, VA, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 273-0406. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: VA is required by law to charge certain veterans a copayment for each 30-day or less supply of medication provided on an outpatient basis (other than medication administered during treatment) for treatment of a non-service connected condition. Public Law 106-117, The Veterans' Millennium Health Care and Benefits Act, gives the Secretary of Veterans Affairs authority to increase the medication copayment amount and to establish a calendar year cap on the amount of medication copayments charged to veterans enrolled in priority groups 2 through 6. When veterans reach the calendar year cap, they will continue to receive medications without additional copayments for that calendar year.

Formula for Calculating the Medication Copayment Amount

Each calendar year beginning after December 31, 2002, the Prescription Drug component of the Medical Consumer Price Index of the previous September 30 is divided by the Index as of September 30, 2001. The ratio is then multiplied by the original copayment amount of \$7.00. The copayment amount of the new calendar year is then rounded down to the whole dollar amount.

Computation of Calendar Year 2007 Medication Copayment Amount

a. Prescription Drug Medical Consumer Price Index as of September 30, 2006 = 368.4.

b. Prescription Drug Medical Consumer Price Index as of September 30, 2001 = 304.8.

c. Index = 368.4 divided by 304.8 = 1.2086.

d. (INDEX) X \$7 = \$8.46.

e. Copayment amount = \$8.00.

Dated: January 26, 2007.

Gordon H. Mansfield,

Deputy Secretary of Veterans Affairs.

[FR Doc. E7-1658 Filed 1-31-07; 8:45 am]

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