

MODULE 3

Teacher's Guide

Healthcare & Long-Term Care — VA, Medicare, TRICARE for Life & Aid & Attendance

Who this guide is for

Module 3 is the class with the most expensive mistake in the entire course. A veteran who skips Medicare Part B at 65 because "I have the VA" can lose TRICARE for Life permanently and pay 10% more for Medicare Part B for the rest of their life. That single decision can cost six figures over a long retirement. Your job in this module is to make sure no one in your room makes that mistake.

This guide gives you a plain-English walkthrough of how the four programs (VA healthcare, Medicare, TRICARE for Life, and Aid & Attendance) actually fit together, the dollar amounts that matter, and the questions students will ask. You don't need to memorize this — you need to know what to read on Sunday night before you teach Monday.

YOUR NORTH STAR — The One Rule

You are an **educator**, not a **Medicare counselor** or **elder-law attorney**. When a student asks "should I sign up for Medicare Advantage?" or "should I move my money to qualify for Aid & Attendance?" the answer is always: "That's exactly the kind of question your **SHIP counselor** (free Medicare help) or a **VA-accredited elder-law attorney** can answer for your specific situation." Tell them how the rules work; never tell them what to choose.

What's in this guide

Part	Topic	Page
1	VA Healthcare & CHAMPVA — Who Gets What	2
2	Medicare at 65 — The Three Parts You Must Know	4
3	TRICARE for Life — The Wraparound that Saves Thousands	7
4	Aid & Attendance — The Quietest Big Benefit	9
5	The Day Before Class — Your Prep Checklist	11

Part 1 — VA Healthcare & CHAMPVA

VA Healthcare — Priority Groups in One Page

VA healthcare is run as a **tiered enrollment system**, not a universal benefit. Every enrolled veteran is assigned to one of **eight priority groups** based on service connection, income, and special status. Lower group numbers get higher priority for appointments and pay lower copays (or none). Veterans always think they're "not high enough" to qualify — in reality, many of your students will land in Group 5, 6, or 7 just based on income or wartime service.

Group	Who's in it	Copays?
1	50%+ service-connected, or unemployable due to service-connected condition	None
2	30–40% service-connected	None for SC care
3	10–20% SC, former POWs, Purple Heart, MoH recipients	None for SC care
4	Catastrophically disabled, Aid & Attendance recipients	None
5	0% non-compensable SC, low-income non-SC, Medicaid-eligible	None or low
6	Compensable 0% SC, certain era exposures (Vietnam, Gulf, post-9/11, PACT Act)	Varies
7	Income below geographic means test — agree to copay	Reduced
8	Income above geographic means test — agree to copay	Standard

WATCH OUT — The PACT Act Reopened Enrollment

The **PACT Act of 2022** made many previously ineligible veterans eligible for VA healthcare — anyone with toxic exposure (burn pits, Agent Orange, radiation, certain water contamination) and service in covered eras. **Even veterans who tried to enroll years ago and were denied may now qualify.** Tell them: enroll once, and you're in — you don't have to use it. It costs nothing to enroll and gives them options later.

KEY NUMBERS

Number of priority groups	8
Cost to enroll	\$0
Where to enroll	va.gov/health-care or VA Form 10-10EZ
Veterans Crisis Line	988 then press 1
VA general info	1-800-827-1000
Average wait time for first PCP appointment	Varies by facility — check with local VA

CHAMPVA — The One Most Veterans Forget

CHAMPVA (Civilian Health and Medical Program of the Department of Veterans Affairs) is a health insurance program for the **spouse, surviving spouse, or child** of a veteran in one of these specific situations:

- The veteran is rated **permanently and totally disabled** from a service-connected condition
- The veteran **died from** a service-connected condition
- The veteran was **permanently and totally disabled** from a service-connected condition at the time of death (whether or not death was service-related)
- The veteran **died on active duty** (and the family is not eligible for TRICARE)

Crucially, CHAMPVA is **not** the same as TRICARE and **not** the same as VA healthcare. It's insurance the spouse/child uses with civilian providers (any Medicare-accepting provider, essentially). It pays 75% of allowable charges after a small deductible.

KEY NUMBERS

Annual deductible	\$50/person, \$100/family
CHAMPVA pays	75% of allowable charges
Annual out-of-pocket cap	\$3,000
Application form	VA Form 10-10d
Lifetime cost (CHAMPVA)	Free — no monthly premium
Drug coverage	Through Meds-by-Mail or in-network pharmacy
Once spouse turns 65 + has Medicare	CHAMPVA becomes secondary to Medicare

IF A STUDENT ASKS...

Q: I'm rated 100% — can my wife use VA hospitals?

A: No. VA healthcare is *only for the veteran*. Spouses and dependents use **CHAMPVA** (different program), and they go to civilian providers. The exception is the **caregiver program** at the VA, which provides specific services to family caregivers of severely disabled vets — that's not the same as healthcare.

Q: My spouse has Medicare and CHAMPVA. Which one pays?

A: Medicare pays first; CHAMPVA pays second. CHAMPVA wraps around Medicare similar to how TRICARE for Life wraps around Medicare for retirees. The combination is excellent — very low out-of-pocket. They need to maintain Medicare Parts A and B to keep CHAMPVA secondary coverage working that way.

Q: My buddy has VA care and never signed up for Medicare. Why should I?

A: Two reasons. **One:** VA care is excellent at VA facilities, but if they're traveling, in an emergency, or their VA shuts a service line, Medicare gives them access to any provider nationwide. **Two:** If they're a military retiree, **Medicare Part B is REQUIRED to keep TRICARE for Life.** We'll cover that in Part 3 — it's the costliest mistake in this whole course.

Part 2 — Medicare at 65

The Four Parts — What They Are

Medicare is divided into four parts, each covering different services. Two are essential for your students. One is automatic. One is optional. Get the categories right and the rest follows.

Part	Covers	Premium (2026)	Notes
A	Hospital, skilled nursing, hospice	\$0 for most	Premium-free if 40 quarters of Medicare-covered work
B	Doctors, outpatient, preventive	\$202.90/month base	REQUIRED for TRICARE for Life
C	Medicare Advantage (private plan replacing A+B)	Varies	Generally NOT recommended for TRICARE for Life retirees
D	Prescription drugs	Varies (~\$35/mo avg)	Optional — TRICARE for Life and VA both cover drugs

The Initial Enrollment Period — Don't Miss It

Medicare's **Initial Enrollment Period (IEP)** is a **7-month window** around the 65th birthday: 3 months before, the birthday month, and 3 months after. Sign up here and coverage starts the month they turn 65 (assuming a birthday after the 1st). Sign up *after* this window and they may face a **permanent late-enrollment penalty** — for life.

Most students who already collect Social Security at 65 are **auto-enrolled** in Parts A and B. Anyone who has delayed Social Security past 65 must **actively enroll** in Medicare during their IEP. This is the most common gotcha. **If they delayed Social Security and assume they're "all set," they're not.**

KEY NUMBERS

IEP length	7 months
IEP timing	3 months before to 3 months after 65th birthday month
Auto-enrollment if collecting SS at 65	Yes (Parts A & B)
Auto-enrollment if NOT collecting SS at 65	NO — must enroll yourself
Part B late penalty	+10% for every 12 months delayed — for life
Part D late penalty	+1% of national base premium per month delayed — for life
General Enrollment Period (if missed)	Jan 1–Mar 31; coverage starts month after enrollment
How to enroll	ssa.gov/medicare or 1-800-772-1213

IRMAA — The High-Income Surcharge

IRMAA (Income-Related Monthly Adjustment Amount) is an extra charge on top of standard Part B and Part D premiums for higher-income beneficiaries. It's based on **Modified Adjusted Gross Income (MAGI)** from **two years prior** — so 2024 income determines 2026 IRMAA.

Most retired veterans on military pension alone won't trigger it. But the combination of military pension + Social Security + a big TSP withdrawal can push them over the threshold — and IRMAA is a "cliff," meaning being \$1 over a bracket means paying the surcharge for the whole year. This is exactly why **tax-aware withdrawal planning matters** (Module 4).

2024 MAGI (single)	2024 MAGI (married)	2026 Part B + IRMAA
Up to \$109,000	Up to \$218,000	\$202.90 (no IRMAA)
\$109,001–\$137,000	\$218,001–\$274,000	~\$284 (1st tier)
\$137,001–\$171,000	\$274,001–\$342,000	~\$406 (2nd tier)
\$171,001–\$205,000	\$342,001–\$410,000	~\$528 (3rd tier)
\$205,001–\$500,000	\$410,001–\$750,000	~\$650 (4th tier)
\$500,001+	\$750,001+	~\$691 (5th tier)

DO NOT SAY — The Most Expensive Sentence in the Course

Do **not** say: "You don't need Medicare Part B if you have VA care." This is the single most damaging belief in your room. Skipping Part B at 65 means: (1) **permanent loss of TRICARE for Life** for military retirees; (2) **10% lifetime late penalty** when they sign up later; (3) **limited care options** outside VA facilities. The correct sentence is: "Medicare and the VA work together — you want both."

IF A STUDENT ASKS...

Q: I'm working at 65 and have employer insurance. Do I need Medicare?

A: If they work for an employer with **20+ employees**, they can typically delay Part B without penalty (employer coverage is primary, Medicare is secondary). When the job ends, they get a **Special Enrollment Period** of 8 months to sign up without penalty. **Smaller employers (under 20):** Medicare must be primary, so they should enroll on time. They should sign up for Part A regardless — it's free.

Q: Should I get Medicare Advantage (Part C)?

A: For TRICARE-for-Life retirees, almost never. Medicare Advantage replaces traditional Medicare with a private network plan. TFL is designed to wrap around *traditional Medicare*, and the coordination breaks under most Advantage plans. Tell them: TFL + traditional Medicare A & B is the gold standard. Their SHIP counselor can confirm.

Q: Do I need Part D for prescriptions?

A: Probably not, if they have TRICARE for Life or VA pharmacy. Both are considered "creditable coverage," meaning they avoid the Part D late penalty even if they decline Part D. Tell them: **keep proof of creditable coverage** (a letter from TFL or VA) in case they ever need to enroll later.

Q: What's IRMAA and how do I avoid it?

A: IRMAA is the income surcharge described above. They "avoid" it by managing taxable income, especially in the 2 years before Medicare and after. Strategies include Roth conversions before age 63, careful TSP withdrawal sequencing, and delaying Social Security. **This is exactly the kind of multi-year planning a fee-only financial planner can map out.**

Part 3 — TRICARE for Life

What TRICARE for Life Actually Is

TRICARE for Life (TFL) is the wraparound healthcare benefit available to military retirees and their eligible family members at age 65, when they become Medicare-eligible. The mechanics are straightforward but the details surprise people:

- **Medicare pays first.** The retiree shows their Medicare card at any Medicare-accepting provider.
- **TFL pays second.** TRICARE picks up most of what Medicare doesn't — deductibles, copays, and the 20% Medicare doesn't cover.
- **The result:** for most covered services, \$0 out-of-pocket. The retiree never sees a bill.

TFL is **not optional** in any meaningful sense for military retirees — it's the standard default that comes with retired status. The catch: it's only triggered if they enroll in **Medicare Part B**. Skip Part B at 65 and TFL stops working.

KEY NUMBERS

Cost of TFL	\$0 monthly premium (separate from Medicare)
Required to keep TFL	Medicare Part A AND Part B
TFL pays after Medicare	Most remaining covered amounts
Pharmacy benefit	TRICARE Pharmacy at military, network, or mail-order pharmacies
TFL covers worldwide	Yes (overseas TFL acts as primary)
Eligible family members	Spouse, surviving spouse, certain dependent children
Where to verify enrollment	milconnect.dmdc.osd.mil

TFL + VA Healthcare — They Don't Conflict

Many veterans believe they have to **choose** between VA care and TRICARE for Life. **They do not.** A retired veteran can be enrolled in VA healthcare (priority group X) AND have TFL wrapping Medicare AND have CHAMPVA for a dependent — and use whichever combination fits the situation.

Practical pattern most retirees fall into:

- **Routine primary care:** VA facility (free, comprehensive, EHR continuity).
- **Specialist or care while traveling:** Civilian provider; Medicare bills, TFL covers remainder.
- **Pharmacy:** VA mail-order or TRICARE Pharmacy — whichever is more convenient.
- **Emergency:** Whichever ER is closest. Bring all three cards.

WATCH OUT — The Three Card Lesson

Tell your students to keep **three cards** in their wallet at all times: **(1) VA ID card, (2) Medicare card, (3) Uniformed Services ID card (DoD ID)**. The Medicare card is what TRICARE for Life looks for — without it, civilian providers can't bill correctly. Photograph the cards and store them in their phone too.

IF A STUDENT ASKS...

Q: Why should I pay for Medicare Part B if VA gives me everything free?

A: Because **without Part B, you lose TRICARE for Life**, which is worth thousands per year in secondary coverage. Part B premium (\$202.90/month) is a fraction of what they'd pay for equivalent supplemental insurance — and TFL covers what Part B misses. Skipping Part B is leaving the most generous secondary insurance in the country on the table.

Q: I missed my Initial Enrollment Period for Part B. What do I do?

A: If they didn't have other "creditable coverage" (most won't, since the VA isn't creditable for Part B purposes), they can sign up during the **General Enrollment Period** (Jan 1–March 31). Coverage will start the month after they enroll. They'll pay a 10% late-enrollment penalty *for life*. **Get them enrolled this week if they're past their IEP.**

Q: Does TFL cover my dental?

A: No — TFL doesn't cover routine dental, hearing aids, or vision (eyeglasses). VA covers some of this depending on priority group. Dental is a separate purchase: **FEDVIP Dental for retirees** is the standard option, available at benefeds.com.

Q: Can my spouse get TFL?

A: Yes — spouses of military retirees become TFL-eligible when they reach 65 and enroll in Medicare A & B. Same Part B requirement. Surviving spouses also keep TFL eligibility. Verify in milconnect.dmdc.osd.mil.

Part 4 — VA Aid & Attendance

What Aid & Attendance Is — In One Sentence

Aid & Attendance (A&A) is a **tax-free monthly enhancement to VA Pension** for wartime veterans (or surviving spouses) who need help with daily activities or are housebound due to a medical condition. It can pay for in-home help, assisted-living facility costs, or family caregiver expenses — and it's one of the most underused benefits in the entire VA system.

Critical distinction: **A&A is NOT separate from Pension.** The veteran (or spouse) must first qualify for VA Pension — meaning wartime service, age/disability, and the income/asset limits from Module 2 — *and then* A&A adds to that base Pension amount. If they don't qualify for Pension, they don't qualify for A&A.

KEY NUMBERS

Two Veterans married (both qualify for A&A)	\$3,845/month (2026)
Married veteran with A&A	\$2,874/month (2026)
Single veteran with A&A	\$2,424/month (2026)
Surviving spouse with A&A	\$1,558/month (2026)
Tax treatment	Tax-free at federal and state level
Net worth limit	\$163,699 (2026, includes income + assets)
Lookback period	36 months (3 years)
Application form	VA Form 21-2680 (medical) + 21P-527EZ (pension)

The 5 Activities of Daily Living (ADLs)

The VA evaluates A&A eligibility based on the veteran's ability to perform **5 specific Activities of Daily Living**. Generally, needing assistance with **2 or more** ADLs — or having a cognitive impairment requiring 24/7 supervision — meets the threshold.

ADL	What it means in practice
1. Bathing	Needs help getting in/out of tub, washing themselves
2. Mobility / Transferring	Needs help moving from bed to chair, walking, using mobility aids
3. Dressing	Needs help putting on clothes, buttoning, tying shoes
4. Toileting	Needs help with hygiene, getting on/off toilet, managing continence
5. Eating	Needs help cutting food, lifting utensils, preventing choking

Cognitive impairment — dementia, Alzheimer's, or similar — can qualify independently of the ADL count when supervision is needed for safety. The veteran's primary care doctor or a specialist completes **VA Form 21-2680** (Examination for Housebound Status or Permanent Need for Aid & Attendance), which the VA uses for the eligibility determination.

How A&A Pays for Long-Term Care

A&A is paid as a **cash benefit to the veteran or spouse**, not directly to a facility. The recipient can use it for:

- **Assisted-living facility** rent (private or commercial)
- **In-home caregivers** — including, in many cases, family members
- **Adult day care**
- **Memory care** facilities
- **Skilled nursing** (though Medicaid often becomes primary in nursing homes)

WATCH OUT — The Medicaid Interaction

If a veteran enters a **Medicaid-funded nursing facility**, federal rules **cap their VA Pension (and A&A enhancement) at approximately \$90/month**. This is the "Medicaid reduction." They keep VA disability compensation in full (it's separate from Pension), but the Pension/A&A combo essentially disappears. **Plan ahead:** if Medicaid is on the horizon, an elder-law attorney can help structure the transition without triggering the 36-month lookback or losing Medicaid eligibility.

IF A STUDENT ASKS...

Q: My wife has dementia and I'm caring for her. Can I get paid?

A: Possibly yes — if the veteran (the student) qualifies for Pension and meets the asset/income limits, A&A would *add to his* Pension to pay for her care. Alternatively, a surviving spouse who later cares for a parent can sometimes structure a "Personal Care Agreement." This is genuinely complex — refer them to a **VA-accredited elder-law attorney**, not a generic advisor.

Q: I have \$200,000 in savings. Can I move it to qualify for A&A?

A: Be very careful here. The 36-month lookback (Module 2 covered this) means transfers made within 3 years of applying can trigger a penalty period of up to 5 years. There ARE legal strategies (irrevocable trusts, certain annuity types, prepaid funeral expenses) but they require a VA-accredited attorney. **Anyone offering "asset restructuring" outside of an attorney's office is the pension-poaching scam from Module 2.**

Q: How long does an A&A application take?

A: Currently 3–9 months, though the VA prioritizes claims for veterans 85+ and those in hospice or facility care. Tell them to file early — benefits are paid retroactively to the application date, so even if approval takes 6 months, they get the back pay.

Q: Can I get A&A and Social Security and SBP at the same time?

A: Yes, all three. A&A is needs-based but those needs are calculated AFTER subtracting "unreimbursed medical expenses" from income. A surviving spouse paying \$4,000/month for assisted living often qualifies even with substantial gross income. The math is non-obvious; refer them to a VSO or accredited attorney.

TALKING POINT — The Quietest Big Benefit

A&A is the most underused VA benefit by ratio of eligible-to-enrolled. A veteran in your room almost certainly knows someone who could qualify — an elderly parent, a widowed spouse, a sibling. Tell them: **"Take this handout home and ask your family if anyone they know is paying for assisted living. They might be eligible for \$1,500–\$2,800 a month, tax-free, and not know it."** That sentence alone may move thousands of dollars to people who deserve it.

Part 5 — The Day Before Class

Your 20-Minute Prep Routine

You will teach this class in two hours. Here's a pre-class routine that fits in 20 minutes and makes the difference between "nervous" and "ready."

Step	Notes
1. Re-read Parts 1–4 of this guide	Skim; focus on the Key Numbers boxes. ~8 min
2. Open the presentation and click through all 13 slides	Remind yourself of slide order. ~5 min
3. Have medicare.gov, tricare.mil, and va.gov in browser tabs	Students will ask for URLs. Be ready.
4. Print backup copies of handouts	Healthcare Benefits Reference + State Benefits Reference
5. Know your local SHIP counselor	Free Medicare counseling — shiphelp.org
6. Have an elder-law referral ready	Local VA-accredited attorney for A&A questions
7. Bring 3 cards out as a prop	VA, Medicare, DoD ID — show what students should always carry

Authoritative Resources — Bookmark These

When a student asks a question you can't answer, don't guess. Go here. Keep these bookmarked in the classroom browser.

Topic	URL	What you'll find
VA Healthcare	va.gov/health-care	Enrollment, priority groups, copays, services.
CHAMPVA	va.gov/health-care/family-caregiver-benefits/champva	Eligibility and Form 10-10d.
Medicare	medicare.gov	Plan finder, coverage details, enrollment dates.
Medicare enrollment	ssa.gov/medicare	Sign up for Parts A and B.
TRICARE for Life	tricare.mil/tfl	TFL handbook, pharmacy, contractor contact.
Find a SHIP counselor	shiphelp.org	Free unbiased Medicare counseling in every state.
VA Pension & A&A	va.gov/pension/aid-attendance-housebound	Eligibility, rates, application forms.

Verify TFL eligibility	milconnect.dmdc.osd.mil	DoD self-service portal for retirees.
Find an accredited VSO	va.gov/ogc/accreditation.asp	For free A&A application help.

FINAL REMINDER — If You Only Remember One Thing

The most expensive sentence a veteran can hear is "you don't need Part B because you have the VA." If your students leave with one fact, make it that they need Medicare A AND B at 65, every time, no exceptions, even with VA care — because Part B is what keeps TRICARE for Life alive. That single sentence is worth tens of thousands of dollars to the right person.