

# HIGHER LEVEL OF SPECIAL MONTHLY COMPENSATION TRAINEE HANDOUT

**PREREQUISITE  
TRAINING**

Prior to this training you must have completed RVSR Challenge Training.

**PURPOSE OF  
LESSON**

The purpose of this lesson is to instruct you on how to properly apply the higher levels of SMC to your decisions. To facilitate this process there are case scenarios to allow you to apply what you have learned.

This lesson will present the following material to you:

- The provisions of 38 CFR 3.350
- The findings from M21 MR IV .ii, 2.H
- 38 USC 1114

**TIME REQUIRED**

2.5 hours

**INSTRUCTIONAL  
METHOD**

Participatory discussion and practical exercise

**MATERIALS/  
TRAINING AIDS**

Classroom or private area where a discussion may be held. Chairs and writing surfaces are required.

Large writing surface such as—easel pad, chalkboard, dry erase board, overhead projector, etc., with appropriate markers, or computer with projection equipment and PowerPoint software.

- SMC Unit PowerPoint presentation
- SMC Trainee Handouts
- PVA Job-Aid
- SMC Calculator from the C&P Intranet (Instructions for using the calculator are included in the tool)

<http://vbaw.vba.va.gov/bl/21/systems/docs/SMCalculator.xls>

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## REFERENCES

- 38 CFR 3.150 – Forms to be furnished
- 38 CFR 3.350 - Special monthly compensation ratings
- 38 CFR 3.351 - Special monthly dependency and indemnity compensation, death compensation, pension and spouse's compensation ratings
- 38 CFR 3.352 – Criteria for determining need for aid and attendance and “permanently bedridden”
- 38 CFR 3.375 - Determination of inactivity (complete arrest) in tuberculosis
- 38 CFR 3.383 – Special consideration for paired organs and extremities
- M21-1MR IV.ii.2.K.
- M21-1MR IV.ii.2.H.
- 38 USC 1114 (r)

## SPECIAL MONTHLY COMPENSATION

### Review of Special Monthly Compensation:

VA can pay an added compensation (paid in addition to the regular Disability Compensation) to a veteran who, as a result of military service, incurred the loss or loss of use of specific organs or extremities. Loss, or loss of use, is described as either an amputation or, having no effective remaining function of an extremity or organ. Loss, or loss of use, is described as either an amputation or, having no effective remaining function of an extremity or organ.

### 38 CFR 3.350 (K)

Special monthly compensation under 38 U.S.C. 1114(k) is payable for each anatomical loss or loss of use of one hand, one foot, both buttocks, one or more creative organs, blindness of one eye having only light perception, deafness of both ears, having absence of air and bone conduction, complete organic aphonia with constant inability to communicate by speech or, in the case of a woman veteran, loss of 25% or more of tissue from a single breast or both breasts in combination (including loss by mastectomy or partial mastectomy),

- |                            |                           |                           |
|----------------------------|---------------------------|---------------------------|
| (1) <i>Creative organ.</i> | (2) <i>Foot and hand.</i> | (3) <i>Both buttocks.</i> |
| (4) <i>Eye.</i>            | (5) <i>Deafness.</i>      | (6) <i>Aphonia.</i>       |

### 38 CFR 3.350 (L)

The special monthly compensation provided by 38 U.S.C. 1114(l) is payable for anatomical loss or loss of use of both feet, one hand and one foot, blindness in both eyes with visual acuity of 5/200 or less or being permanently bedridden or so helpless as to be in need of regular aid and attendance.

- |                                  |                            |  |
|----------------------------------|----------------------------|--|
| (1) <i>Extremities</i>           | (2) <i>Eyes, bilateral</i> | (3) <i>Need for aid and attendance</i> |
| (4) <i>Permanently bedridden</i> |                            |  |

### 38 CFR 3.350 (S)

The special monthly compensation provided by 38 U.S.C. 1114(s) is payable where the veteran has a single service-connected disability rated as 100 percent and:

- (1) Has additional service-connected disability or disabilities independently ratable at 60 percent, separate and distinct from the 100 percent service-connected disability and involving different anatomical segments or bodily systems, or
- (2) Is permanently housebound by reason of service-connected disability or disabilities. This requirement is met when the veteran is substantially confined as a direct result of service-connected disabilities to his or her dwelling and the immediate premises or, if institutionalized, to the ward or clinical areas, and it is reasonably certain that the disability or disabilities and resultant confinement will continue throughout his or her lifetime.

**Special Monthly Compensation – M, N, O, P**

**38 CFR 3.3850 (M)**

(1) The special monthly compensation provided by 38 U.S.C. 1114(m) is payable for any of the following conditions:

- (i) Anatomical loss or loss of use of both hands;
- (ii) Anatomical loss or loss of use of both legs at a level, or with complications, preventing natural knee action with prosthesis in place;
- (iii) Anatomical loss or loss of use of one arm at a level, or with complications, preventing natural elbow action with prosthesis in place with anatomical loss or loss of use of one leg at a level, or with complications, preventing natural knee action with prosthesis in place;
- (iv) Blindness in both eyes having only light perception;
- (v) Blindness in both eyes leaving the veteran so helpless as to be in need of regular aid and attendance.

(2) *Natural elbow or knee action.* In determining whether there is natural elbow or knee action with prosthesis in place, consideration will be based on whether use of the proper prosthetic appliance requires natural use of the joint, or whether necessary motion is otherwise controlled, so that the muscles affecting joint motion, if not already atrophied, will become so. If there is no movement in the joint, as in ankylosis or complete paralysis, use of prosthesis is not to be expected, and the determination will be as though there were one in place.

(3) *Eyes, bilateral.* With visual acuity 5/200 or less or the vision field reduced to 5 degree concentric contraction in both eyes, entitlement on account of need for regular aid and attendance will be determined on the facts in the individual case.

**38 CFR 3.350 (N)**

The special monthly compensation provided by 38 U.S.C. 1114(n) is payable for any of the conditions which follow: Amputation is a prerequisite except for loss of use of both arms and blindness without light perception in both eyes. If a prosthesis cannot be worn at the present level of amputation but could be applied if there were a reamputation at a higher level, the requirements of this paragraph are not met; instead, consideration will be given to loss of natural elbow or knee action.

- (1) Anatomical loss or loss of use of both arms at a level or with complications, preventing natural elbow action with prosthesis in place;
- (2) Anatomical loss of both legs so near the hip as to prevent use of a prosthetic appliance;

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- (3) Anatomical loss of one arm so near the shoulder as to prevent use of a prosthetic appliance with anatomical loss of one leg so near the hip as to prevent use of a prosthetic appliance;
- (4) Anatomical loss of both eyes or blindness without light perception in both eyes

**38 CFR 3.350 (O)**

(1) The special monthly compensation provided by 38 U.S.C. 1114(o) is payable for any of the following conditions:

(i) Anatomical loss of both arms so near the shoulder as to prevent use of a prosthetic appliance;

(ii) Conditions entitling to two or more of the rates (no condition being considered twice) provided in 38 U.S.C. 1114(l) through (n);

(iii) Bilateral deafness rated at 60 percent or more disabling (and the hearing impairment in either one or both ears is service connected) in combination with service-connected blindness with bilateral visual acuity 20/200 or less.

(iv) Service-connected total deafness in one ear or bilateral deafness rated at 40 percent or more disabling (and the hearing impairment in either one of both ears is service-connected) in combination with service-connected blindness of both eyes having only light perception or less.

(2) *Paraplegia.* Paralysis of both lower extremities together with loss of anal and bladder sphincter control will entitle to the maximum rate under 38 U.S.C. 1114(o), through the combination of loss of use of both legs and helplessness. The requirement of loss of anal and bladder sphincter control is met even though incontinence has been overcome under a strict regimen of rehabilitation of bowel and bladder training and other auxiliary measures.

(3) *Combinations.* Determinations must be based upon separate and distinct disabilities. This requires, for example, that where a veteran who had suffered the loss or loss of use of two extremities is being considered for the maximum rate on account of helplessness requiring regular aid and attendance, the latter must be based on need resulting from pathology other than that of the extremities. If the loss or loss of use of two extremities or being permanently bedridden leaves the person helpless, increase is not in order on account of this helplessness. Under no circumstances will the combination of "being permanently bedridden" and "being so helpless as to require regular aid and attendance" without separate and distinct anatomical loss, or loss of use, of two extremities, or blindness, be taken as entitling to the maximum benefit. The fact, however, that two separate and distinct entitling disabilities, such as anatomical loss, or loss of use of both hands and both feet, result from a common etiological agent, for example, one injury or rheumatoid arthritis, will not preclude maximum entitlement.

(4) *Helplessness.* The maximum rate, as a result of including helplessness as one of the entitling multiple disabilities, is intended to cover, in addition to obvious losses and blindness, conditions such as the loss of use of two extremities with absolute deafness and nearly total blindness or

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with severe multiple injuries producing total disability outside the useless extremities, these conditions being construed as loss of use of two extremities and helplessness.

**Interim Review of M, N, O:**

Lower extremities:

- (L) for loss of the feet
- (M) for loss at the knee level
- (N) for anatomical loss at the hip level

Upper extremities:

- (M) for loss at the hand level
- (N) for loss at the elbow level
- (O) for anatomical loss at the shoulder level

A&A: the SMC level is (L)

Bilateral Blindness: (L) for 5/200 level  
(M) for LPO level  
(N) for NLP level  
With deafness of varying degrees  
**(Look up--do not memorize).**

Two or more SMC levels (L through N 1/2) or loss of lower extremities with loss of anal and bladder sphincter SMC (O).

**38 CFR 3.350 (P)**

An intermediate rate authorized by this paragraph shall be established at the arithmetic mean, rounded to the nearest dollar, between the two rates concerned. (Authority: 38 U.S.C. 1114 (p))

(1) *Extremities.*

(i) Anatomical loss or loss of use of one foot with anatomical loss or loss of use of one leg at a level, or with complications preventing natural knee action with prosthesis in place, shall entitle to the rate between 38 U.S.C. 1114(l) and (m).

(ii) Anatomical loss or loss of use of one foot with anatomical loss of one leg so near the hip as to prevent use of prosthetic appliance shall entitle to the rate under 38 U.S.C. 1114(m).

(iii) Anatomical loss or loss of use of one foot with anatomical loss or loss of use of one arm at a level, or with complications, preventing natural elbow action with prosthesis in place, shall entitle to the rate between 38 U.S.C. 1114(l) and (m).

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(iv) Anatomical loss or loss of use of one foot with anatomical loss or loss of use of one arm so near the shoulder as to prevent use of a prosthetic appliance shall entitle to the rate under 38 U.S.C. 1114(m).

(v) Anatomical loss or loss of use of one leg at a level, or with complications, preventing natural knee action with prosthesis in place with anatomical loss of one leg so near the hip as to prevent use of a prosthetic appliance, shall entitle to the rate between 38 U.S.C. 1114(m) and (n).

(vi) Anatomical loss or loss of use of one leg at a level, or with complications, preventing natural knee action with prosthesis in place with anatomical loss or loss of use of one hand, shall entitle to the rate between 38 U.S.C. 1114(l) and (m).

(vii) Anatomical loss or loss of use of one leg at a level, or with complications, preventing natural knee action with prosthesis in place with anatomical loss of one arm so near the shoulder as to prevent use of a prosthetic appliance, shall entitle to the rate between 38 U.S.C. 1114(m) and (n).

(viii) Anatomical loss of one leg so near the hip as to prevent use of a prosthetic appliance with anatomical loss or loss of use of one hand shall entitle to the rate under 38 U.S.C. 1114(m).

(ix) Anatomical loss of one leg so near the hip as to prevent use of a prosthetic appliance with anatomical loss or loss of use of one arm at a level, or with complications, preventing natural elbow action with prosthesis in place, shall entitle to the rate between 38 U.S.C. 1114(m) and (n).

(x) Anatomical loss or loss of use of one hand with anatomical loss or loss of use of one arm at a level, or with complications, preventing natural elbow action with prosthesis in place, shall entitle to the rate between 38 U.S.C. 1114(m) and (n).

(xi) Anatomical loss or loss of use of one hand with anatomical loss of one arm so near the shoulder as to prevent use of a prosthetic appliance shall entitle to the rate under 38 U.S.C. 1114(n).

(xii) Anatomical loss or loss of use of one arm at a level, or with complications, preventing natural elbow action with prosthesis in place with anatomical loss of one arm so near the shoulder as to prevent use of a prosthetic appliance, shall entitle to the rate between 38 U.S.C. 1114(n) and (o).

*(2) Eyes, bilateral, and blindness in connection with deafness and/or loss or loss of use of a hand or foot.*

(i) Blindness of one eye with 5/200 visual acuity or less and blindness of the other eye having only light perception will entitle to the rate between 38 U.S.C. 1114(l) and (m).



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(ii) blindness of one eye with 5/200 visual acuity or less and anatomical loss of, or blindness having no light perception in the other eye, will entitle to a rate equal to 38 U.S.C. 1114(m).

(iii) Blindness of one eye having only light perception and anatomical loss of, or blindness having no light perception in the other eye, will entitle to a rate between 38 U.S.C. 1114(m) and (n).

(iv) Blindness in both eyes with visual acuity of 5/200 or less, or blindness in both eyes rated under subparagraph (2)(i) or (ii) of this paragraph, when accompanied by service-connected total deafness in one ear, will afford entitlement to the next higher intermediate rate of if the veteran is already entitled to an intermediate rate, to the next higher statutory rate under 38 U.S.C. 1114, but in no event higher than the rate for (o).

(v) Blindness in both eyes having only light perception or less, or rated under subparagraph (2)(iii) of this paragraph, when accompanied by bilateral deafness (and the hearing impairment in either one or both ears is service-connected) rated at 10 or 20 percent disabling, will afford entitlement to the next higher intermediate rate, or if the veteran is already entitled to an intermediate rate, to the next higher statutory rate under 38 U.S.C. 1114, but in no event higher than the rate for (o). (Authority: Sec. 112, Pub. L. 98-223)

(vi) Blindness in both eyes rated under 38 U.S.C. 1114(l), (m) or (n), or rated under subparagraphs (2)(i), (ii) or (iii) of this paragraph, when accompanied by bilateral deafness rated at no less than 30 percent, and the hearing impairment in one or both ears is service-connected, will afford entitlement to the next higher statutory rate under 38 U.S.C. 1114, or if the veteran is already entitled to an intermediate rate, to the next higher intermediate rate, but in no event higher than the rate for (o). (Authority: 38 U.S.C. 1114(p))

(vii) Blindness in both eyes rated under 38 U.S.C. 1114(l), (m), or (n), or under the intermediate or next higher rate provisions of this subparagraph, when accompanied by:

(A) Service-connected loss or loss of use of one hand, will afford entitlement to the next higher statutory rate under 38 U.S.C. 1114 or, if the veteran is already entitled to an intermediate rate, to the next higher intermediate rate, but in no event higher than the rate for (o); or

(B) Service-connected loss or loss of use of one foot which by itself or in combination with another compensable disability would be ratable at 50 percent or more, will afford entitlement to the next higher statutory rate under 38 U.S.C. 1114 or, if the veteran is already entitled to an intermediate rate, to the next higher intermediate rate, but in no event higher than the rate for (o); or

(C) Service-connected loss or loss of use of one foot which is ratable at less than 50 percent and which is the only compensable disability other than bilateral blindness, will afford entitlement to the next higher intermediate rate or, if the veteran is already entitled to an intermediate rate, to the next higher statutory rate under 38 U.S.C. 1114, but in no event higher than the rate for (o). (Authority: 38 U.S.C. 1114(p))

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(3) *Additional independent 50 percent disabilities.* In addition to the statutory rates payable under 38 U.S.C. 1114(l) through (n) and the intermediate or next higher rate provisions outlined above, additional single permanent disability or combinations of permanent disabilities independently ratable at 50 percent or more will afford entitlement to the next higher intermediate rate or if already entitled to an intermediate rate to the next higher statutory rate under 38 U.S.C. 1114, but not above the (o) rate. In the application of this subparagraph the disability or disabilities independently ratable at 50 percent or more must be separate and distinct and involve different anatomical segments or bodily systems from the conditions establishing entitlement under 38 U.S.C. 1114(l) through (n) or the intermediate rate provisions outlined above. The graduated ratings for arrested tuberculosis will not be utilized in this connection, but the permanent residuals of tuberculosis may be utilized.

(4) *Additional independent 100 percent ratings.* In addition to the statutory rates payable under 38 U.S.C. 1114(l) through (n) and the intermediate or next higher rate provisions outlined above additional single permanent disability independently ratable at 100 percent apart from any consideration of individual unemployability will afford entitlement to the next higher statutory rate under 38 U.S.C. 1114 or if already entitled to an intermediate rate to the next higher intermediate rate, but in no event higher than the rate for (o). In the application of this subparagraph the single permanent disability independently ratable at 100 percent must be separate and distinct and involve different anatomical segments or bodily systems from the conditions establishing entitlement under 38 U.S.C. 1114(l) through (n) or the intermediate rate provisions outlined above.

(i) Where the multiple loss or loss of use entitlement to a statutory or intermediate rate between 38 U.S.C. 1114(l) and (o) is caused by the same etiological disease or injury, that disease or injury may not serve as the basis for the independent 50 percent or 100 percent unless it is so rated without regard to the loss or loss of use.

(ii) The graduated ratings for arrested tuberculosis will not be utilized in this connection, but the permanent residuals of tuberculosis may be utilized.

(5) *Three extremities.* Anatomical loss or loss of use, or a combination of anatomical loss and loss of use, of three extremities shall entitle a veteran to the next higher rate without regard to whether that rate is a statutory rate or an intermediate rate. The maximum monthly payment under this provision may not exceed the amount stated in 38 U.S.C. 1114(p).

**38 CFR 3.350 R**

(1) *Maximum compensation cases.* A veteran receiving the maximum rate under 38 U.S.C. 1114 (o) or (p) who is in need of regular aid and attendance or a higher level of care is entitled to an additional allowance during periods he or she is not hospitalized at United States Government expense. (See §3.552(b)(2) as to continuance following admission for hospitalization.) Determination of this need is subject to the criteria of §3.352. The regular or higher level aid and attendance allowance is payable whether or not the need for regular aid and attendance or a higher level of care was a partial basis for entitlement to the maximum rate under 38 U.S.C. 1114(o) or (p), or was based on an independent factual determination.

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(2) *Entitlement to compensation at the intermediate rate between 38 U.S.C. 1114(n) and (o) plus special monthly compensation under 38 U.S.C. 1114(k).* A veteran receiving compensation at the intermediate rate between 38 U.S.C. 1114(n) and (o) plus special monthly compensation under 38 U.S.C. 1114(k) who establishes a factual need for regular aid and attendance or a higher level of care, is also entitled to an additional allowance during periods he or she is not hospitalized at United States Government expense. (See §3.552(b)(2) as to continuance following admission for hospitalization.) Determination of the factual need for aid and attendance is subject to the criteria of §3.352.

(3) *Amount of the allowance.* The amount of the additional allowance payable to a veteran in need of regular aid and attendance is specified in 38 U.S.C. 1114(r)(1). The amount of the additional allowance payable to a veteran in need of a higher level of care is specified in 38 U.S.C. 1114(r)(2). The higher level aid and attendance allowance authorized by 38 U.S.C. 1114(r)(2) is payable in lieu of the regular aid and attendance allowance authorized by 38 U.S.C. 1114(r)(1).

**38 CFR 3.350 Q**

*Inactive tuberculosis (complete arrest).* The rating criteria for determining inactivity of tuberculosis are set out in §3.375.

- (1) For a veteran who was receiving or entitled to receive compensation for tuberculosis on August 19, 1968, the minimum monthly rate is \$67. This minimum special monthly compensation is not to be combined with or added to any other disability compensation.
  
- (2) For a veteran who was not receiving or entitled to receive compensation for tuberculosis on August 19, 1968, the special monthly compensation authorized by paragraph (g)(1) of this section is not payable.

**Helpful hints and instructions about utilizing the SMC tool:**

Abbreviations:

LPO: light perception only

NLP: no light perception

AL: anatomical loss

LOU: loss of use

LOU NEA: Loss of Use Natural Elbow Action – this means loss of use of one arm at a level, or with complications, preventing natural elbow action with prosthesis in place

AL NEA: Anatomical loss Natural Elbow Action – anatomical loss of one arm at a level, or with

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complications, preventing natural elbow action with prosthesis in place

LOU SPP: Loss of Use Shoulder Preventing Prosthesis – Please note that level of disability is the same as LOU NEA. For there to be any higher benefit, there must be anatomical loss

AL SPP: Anatomical loss Shoulder Preventing Prosthesis – this means anatomical loss of one arm so near the shoulder as to prevent use of a prosthetic appliance

LOU NKA: Loss of Use Natural Knee Action– this means loss of use of one leg at a level, or with complications, preventing natural knee action with prosthesis in place

AL NKA: Anatomical Loss Natural Knee Action– anatomical loss of one leg at a level, or with complications, preventing natural knee action with prosthesis in place

LOU HPP: Loss of Use Hip Preventing Prosthesis – Please note that level of disability is the same as LOU NKA. For there to be any higher benefit, there must be anatomical loss

AL HPP: Anatomical loss Hip Preventing Prosthesis – this means anatomical loss of one leg so near the hip as to prevent use of a prosthetic appliance

HLC: Higher level of Care (for R-2).

A/A: Aid and attendance

HB: Housebound

#### How to Select Levels of Impairment

First, determine what impairment there is (blindness, deafness, etc.). Locate the impairment and click on the white blank box below it. A little grey box will appear to the right of the cell. Click on the little grey box to see the options.

#### Example:

Let's say the veteran has 5/200 visual acuity in both eyes. To input this, first click on cell B6 (the cell directly below the "Right"). A little grey box will appear to the right of the cell. The little grey box has a downward arrow in it. Click the grey box. Below Cell B6 will appear several options. Click on 5/200. Cell B6 now contains "5/200". Now click on Cell C6. Again a little grey box with a downward arrow appears. Click on the grey box and select "5/200". The codes that appear are the SMC codes for a veteran with 5/200 of both eyes.

#### How to change Levels of Impairment

Click on the box that you wish to change. Click on the little grey box that appears and select a different option.

#### Example:

In the above example, the veteran had 5/200 in both eyes. Let's say that you then realize that the veteran has light perception only (LPO) in the right eye. Click on Cell B6 (the cell under the

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word “Right” that has “5/200” in it). The little grey box will appear. Click on the little grey box and select “LPO”. The SMC codes will change accordingly.

#### How to Erase Levels of Impairment

Click on the box that you wish to clear. You can either (1) press delete or (2) click on the little grey box and select the blank spot underneath the other options.

#### Example:

You selected “LPO” for the right eye and “5/200” for the left eye. You are now working on another veteran with loss of use of both feet. To delete the “LPO”, you click on Cell B6 (the cell under the word “Right” that has “LPO” in it). The little grey box will appear. Select the blank spot that is underneath “AL.” Now there is nothing in Cell B6. Then, click on Cell C6 (the cell under the word “Left” that has “5/200” in it). Press delete. Now there is nothing Cell C6.

#### Basic/ Hospital/ LOU/ AL/ Other

These boxes correspond to the codes you need to input in the SMC code Tab in RBA 2000.

#### Example:

For instance, the veteran has erectile dysfunction. You select “male” under the creative organ box. The Basic Code is 01 for a (k); the Hospitalization code is 01; the Loss of Use Code (LOU) is 00; the Anatomical Loss Code (AL) is 00; and the Other Code is 1.

#### Example:

The veteran has anatomical loss of the right hand; loss of use of the left foot; and loss of use of both buttocks. Select “AL hand” for the right upper extremity; “LOU foot” for the left lower extremity; and “Yes” under LOU/AL Both Buttocks. The Basic Code is 04 for a (l+k); the Hospitalization code is 04; the Loss of Use Code (LOU) is 13; the Anatomical Loss Code (AL) is 12; and the Other Code is 2.

#### **The SMC Paragraph Builder:**

The large white grid under the Code boxes is the SMC paragraph builder.

#### Example:

For instance, let’s say a veteran has loss of use of the hands and feet and needs aid and attendance. This will entitle the veteran to R-1. But the manual re-write states that you need to build the SMC. When you enter decision on the SMC option in RBA, it takes you to the SMC paragraph screen. What paragraph do you select? The Paragraph Builder tells you to select an L1 (you will actually need two L1’s in this case – one for LOU of both feet and one for A/A); then select an M1 for loss of use of both hands; then select O-3 for the (o), then select the R-1

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paragraph. Think of building the SMC as a mathematical equation. LOU of the hands equal (m). LOU of the feet equal (l). (l) + (m) equals (o). (o) + (l) for A/A equals R-1.

This also prevents you from spending tons of time selecting each paragraph option trying to pick the right one.

**P= on the left side of the Paragraph Builder:**

When granting an additional percentage or other disability that increases the SMC level, you need to know what the level will be to enter it in the SMC paragraph. This side level will tell you the level.

Example:

For instance, the veteran has visual acuity of 5/200 in both eyes and an additional 100 percent disability. You need to use the LB1 paragraph, then the P2 paragraph. The P2 paragraph makes you input what the new SMC entitlement level is. On the right, you see P= M. Because of this, you know that the true SMC level is M and can enter it accordingly in the P2 paragraph.

**Blindness Special considerations:**

20 to 10/200: A veteran with this level of visual impairment along with 60% hearing loss is entitled to SMC.

**Aphonia:**

If there is complete aphonia, select “yes”; otherwise, leave blank.

**LOU/AL Both Buttocks:**

If there is loss of use or anatomical loss of both buttocks, select “yes”; otherwise, leave blank.

**Aid & Attendance levels:**

Regular A/A: probably the most selected

Bedridden: A veteran that is bedridden does not get reduced benefits due to hospitalization.

HLC: this for the higher level of care needed for R-2

**A/A Special considerations:**

This box will appear when an Aid & Attendance level is selected.

A/A due to SMC disabilities: Use this option if the veteran needs aid and attendance for a disability that SMC is already being given for. For example, if the veteran has loss of use of both

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hands which make him unable to bathe or take care of hygiene, then you would select this option. This prevents you from pyramiding SMC disabilities. If you have given this veteran an (m) for LOU of both hands, you cannot also grant an (l) for that same disability. However, once the veteran reaches an (o), you CAN then use the need for A/A of that disability to get to R-1. For example, if the veteran has loss of use of both hands and feet, this will entitle the veteran to an (o). You can then use the need for A&A due to his hands to grant entitlement at the R-1 level.

A/A due to blindness: If a veteran has 5/200 visual acuity in both eyes and needs Aid and Attendance because of it, select this option. This will grant the veteran an (m).

A/A due to Hansen’s disease: If a veteran needs A/A due to Hansen’s disease (leprosy), no reduction due to hospitalization is warranted. A pop up box will come up reminding you that if the veteran also has an (l) or higher due to LOU/AL, you cannot grant A/A because of those that have already been given SMC (except for K).

**Creative organ:**

If there is anatomical loss or loss of use of a female creative organ, select “female.” If there is anatomical loss or loss of use a male creative organ, select “male”; otherwise, leave blank.

**Breast:**

If there is anatomical loss of one or both breasts, radiation therapy, or loss of 25 percent or more of one or both breasts, select “yes”; otherwise, leave blank

**Loss of bowel & sphincter with LOU of both legs:**

If there is this condition, select “yes”; otherwise, leave blank. A message will pop up reminding you to input loss of use of both legs and aid and attendance (otherwise, the LOU code and Other code will not be correct).

**Hearing loss:**

A (k) is not warranted unless there is deafness in both ears, but hearing loss may increase the amount of SMC warranted when there is also blindness.

**Additional percentage:**

SMC is increased when there are additional disabilities equaling 50% or more or 100 percent. When you select this box, a reminder will pop up saying that the additional percentage CANNOT be for a disability which an SMC is being assigned (except a k). This means that if the veteran has loss of use of both hands (which equals 100 percent), you cannot give the veteran an additional level based on the 100 percent because you are already granting an (m). But, if the veteran has loss of use of both hands and an above the knee amputation, you give the veteran an (m) for the loss of use of both hands, a (k) for the AKA, a half-step evaluation for AL/LOU of 3

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extremities, and an additional half step for a 50 percent disability (the AKA), making the total SMC awarded N+K.

**There is a glitch with the SMC tool and here are the notations for them:**

A veteran entitled to N1/2 + K is entitled to SMC R1 or SMC code 43. Normally you have to meet the requirements under subsection (o) in order to qualify for R1, however the N1/1+ K is the exception to this rule. When you make the veteran entitled to N1/2 + K on the SMC help table, it tells us to grant only N1/2 +K with SMC code 28 instead of R1 with SMC code 43.

When a veteran is entitled to SMC (l) for loss of use of both feet and (m) for loss of use of both hands, he would qualify for SMC under subsection (o) which automatically qualifies him for R1. When you insert these disabilities in the SMC help table it tell us to grant O-3 or SMC code 37 instead of R1 SMC code 53. You have to insert A&A with these other SMCs in order for it to tell us to pay R1. Any time you insert SMCs qualifying for (l) and (l) or higher, it makes you insert A&A in order to pay R1.



**REVIEW EXERCISE**

**SCENARIO #1:**

ACTIVE DUTY			
EOD	RAD	BRANCH	CHARACTER OF DISCHARGE
12/30/1955	05/16/1962	Army	Honorable
07/17/1962	07/10/1968	Army	Honorable

LEGACY CODES			
ADD'L SVC CODE	COMBAT CODE	SPECIAL PROV CDE	FUTURE EXAM DATE
	1		None

**JURISDICTION:** Claim for Increase Received 03/25/2009

**ASSOCIATED CLAIM(s):** 020; Claim for Increase; 03/25/09

**SUBJECT TO COMPENSATION (1. SC)**

- 5110 - 5162 ABOVE THE KNEE AMPUTATION, BILATERAL  
Service Connected, Vietnam Era, Secondary  
100% from 07/11/1968
- 7120 VARISCOSITY WITH PHLEBITIS WITH DEEP VEIN INVOLVEMENT,  
LEFT LOWER EXTERMITY  
Service Connected, Vietnam Era, Incurred  
40% from 07/11/1968
- 7120 VARISCOSITY WITH PHLEBITIS, RIGHT LOWER EXTERMITY  
Service Connected, Vietnam Era, Incurred  
10% from 07/11/1968
- 6260 TINNITUS  
Service Connected, Vietnam Era, Incurred  
10% from 07/11/1968
- 6100 HEARING LOSS, BILATERAL  
Service Connected, Vietnam Era, Incurred  
0% from 07/11/1968

**COMBINED EVALUATION FOR COMPENSATION:**

100% from 07/11/1968

**NOT SERVICE CONNECTED/NOT SUBJECT TO COMPENSATION (8.NSC Peacetime, Vietnam Era)**

- 7099-7016 BICUSPID AORTIC VALVE, STATUS POST AORTIC VALVE  
REPLACEMENT  
Not Service Connected, Constitutional/Developmental Abnormality

**ANCILLARY DECISIONS**

Basic Eligibility under 38 USC Ch 35 from 07/11/1968

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Bo Berrie, Rating Specialist

- 1) What would be the SMC this veteran is entitled to? Provide your rationale for your answer.
- 2) Is there anything else this veteran would be eligible for?

**SCENARIO #2:**

ACTIVE DUTY			
EOD	RAD	BRANCH	CHARACTER OF DISCHARGE
12/30/1955	05/16/1962	Army	Honorable
07/17/1962	07/10/1968	Army	Honorable

LEGACY CODES			
ADD'L SVC CODE	COMBAT CODE	SPECIAL PROV CDE	FUTURE EXAM DATE
	1		None

**JURISDICTION:** Claim for Increase Received 03/25/2009

**ASSOCIATED CLAIM(s):** 020; Claim for Increase; 03/25/09

**SUBJECT TO COMPENSATION(1. SC)**

- 5110 - 5167      AMPUTATION, RIGHT FOOT AND LOSS OF USE, LEFT FOOT  
Service Connected, Vietnam Era, Secondary  
100% from 07/11/1968
  
- 9304              ORGANIC BRAIN SYNDROME WITH DEMENTIA DUE TO HEAD  
TRAUMA  
Service Connected, Vietnam Era, Incurred  
70% from 07/11/1968
  
- 5299-5296      SKULL DEFECT  
Service Connected, Vietnam Era, Incurred  
10% from 07/11/1968

**COMBINED EVALUATION FOR COMPENSATION:**

100% from 07/11/1968

**SPECIAL MONTHLY COMPENSATION:**

K-1 Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (k) and 38 CFR 3.350(a) on account of anatomical loss of a right foot from 07/11/1968.

L-1 Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (L) and 38 CFR 3.350(a) on account of anatomical loss of a right foot and loss of use of the left foot from 07/11/1968.

EFFECTIVE DATE	BASIC	HOSPITAL	LOSS OF USE	ANAT. LOSS	OTHER LOSS
07/11/1968	24	48	24	13	4

**ANCILLARY DECISIONS**

Basic Eligibility under 38 USC Ch 35 from 07/11/1968

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C. Hockula, Rating Specialist

If the veteran claimed an increase, what would be the SMC codes for the following conditions:

1. Examination noted the knee amputation stump on the right was adequately maintained, and the veteran is using a functioning below-the-knee prosthesis, but also that the neurological injury and paralysis in the left lower extremity is at mid-thigh and the left knee does not move.

With this information, what would be the veteran's SMC code rate?

2. If the veteran's organic brain syndrome with dementia meets the requirements for 100% disabling, what would the veteran's SMC code rate?
3. If the organic brain syndrome manifests itself to the point that the veteran is completely disoriented most of the time and he cannot protect himself from the dangers and hazards of daily living without personal assistance from others, what would the veteran's SMC code rate be?
4. Is there anything else that may need to be addressed?

**Scenario #3:**

ACTIVE DUTY			
EOD	RAD	BRANCH	CHARACTER OF DISCHARGE
12/30/1955	05/16/1962	Army	Honorable
07/17/1962	07/10/1968	Army	Honorable

LEGACY CODES			
ADD'L SVC CODE	COMBAT CODE	SPECIAL PROV CDE	FUTURE EXAM DATE
	1		None

**JURISDICTION:** Claim for Increase Received 03/25/2009

**ASSOCIATED CLAIM(s):** 020; Claim for Increase; 03/25/09

**SUBJECT TO COMPENSATION (1. SC)**

6062                      BLINDNESS, BILATERAL EYES, LIGHT PERCEPTION ONLY  
 Service Connected, Vietnam Era, Secondary  
 100% from 07/11/1968

**COMBINED EVALUATION FOR COMPENSATION:**

100% from 07/11/1968

**SPECIAL MONTHLY COMPENSATION:**

K-1 Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (k) and 38 CFR 3.350(a) on account of loss of use of the eyes from 07/11/1968

L-1 Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (L) and 38 CFR 3.350(a) on account of need for aid and attendance due to blindness from 07/11/1968.

M-1 Entitled to special monthly compensation under 38 U.S.C. 1114, subsection (m) and 38 CFR 3.350(a) on account of blindness in both eyes, having only light perception from 07/11/1968.

EFFECTIVE DATE	BASIC	HOSPITAL	LOSS OF USE	ANAT. LOSS	OTHER LOSS
07/11/1968	07	48	21	00	4

**ANCILLARY DECISIONS**

Basic Eligibility under 38 USC Ch 35 from 07/11/1968

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Horatio Crunch, Rating Specialist

*Higher Level – Special Monthly Compensation*

- 1) If the veteran claimed an increase in his SMC, what would the veteran need?
  
- 2) Can the veteran be rated at the “O” level?
  
- 3) Can the veteran be rated at between the “M” and “N” rate; or can he be rated at the “N” level? What would he need to show?

**SCENARIO #4:**

ACTIVE DUTY			
EOD	RAD	BRANCH	CHARACTER OF DISCHARGE
12/30/1955	05/16/1962	Army	Honorable
07/17/1962	07/10/1968	Army	Honorable

LEGACY CODES			
ADD'L SVC CODE	COMBAT CODE	SPECIAL PROV CDE	FUTURE EXAM DATE
	1		None

**JURISDICTION:** Original Claim received 03/25/2009

**ASSOCIATED CLAIM(s):** 110; Original Claim; 03/25/09

**SUBJECT TO COMPENSATION (1. SC)**

- 8017-5109      Loss of use of the upper extremities due to Amyotrophic Lateral Sclerosis  
Service Connected, Vietnam Era, Secondary  
100% from 09/23/2008
- 5110            Loss of use of the lower extremities due to Amyotrophic Lateral Sclerosis  
Service Connected, Vietnam Era, Secondary  
100% from 09/23/2008
- 6825            Respiratory restriction due to Amyotrophic Lateral Sclerosis  
Service Connected, Vietnam Era, Secondary  
100% from 09/23/2008
- 6819            Aphonia due to Amyotrophic Lateral Sclerosis  
Service Connected, Vietnam Era, Incurred  
60% from 09/23/2008
- 7299-7203      Dysphagia due to Amyotrophic Lateral Sclerosis  
Service Connected, Vietnam Era, Incurred  
50% from 09/23/2008

**COMBINED EVALUATION FOR COMPENSATION:**

100% from 09/23/2008

**ANCILLARY DECISIONS**

Basic Eligibility under 38 USC Ch 35 from 07/11/1968

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J LeFoote, Rating Specialist

**SPECIAL MONTHLY COMPENSATION:**

*Higher Level – Special Monthly Compensation*

EFFECTIVE DATE	BASIC	HOSPITAL	LOSS OF USE	ANAT. LOSS	OTHER LOSS

- 1) What Special Monthly Compensation is the veteran entitled to? List all that would need to be included.
- 2) Place the appropriate codes in the boxes above to reflect the veteran's entitlement, with the appropriate effective date.