RESOLVING ADVERSE CREDIT HISTORY REPORTS FOR VETERANS RECEIVING LATE PAYMENTS FOR PURCHASED NON-VA CARE

- **1. PURPOSE:** This Veterans Health Administration (VHA) Directive establishes VHA policy for reporting and attempting to resolve Veterans' adverse credit histories caused by VA's late payment for purchased non-VA care.
- **2. BACKGROUND:** Since May 2007, VHA has required Fee Basis sites to report monthly statistical claims processing data. This performance report utilizes a "Stoplight Chart" format and is maintained by the VHA Chief Business Office (CBO), Purchased Care Services, National Fee Program Office (NFPO). The report is intended to monitor claims processing timeliness at individual VA Medical Centers, as well as at the Veterans Integrated Service Network (VISN) level. Initial reports validated concerns that delays in processing claims for non-VA care services exist. Confirmation of claims processing delays raised concerns regarding the impact on Veterans' credit history as a direct result of delayed payment.
- a. Total expenditure for VHA Fee Basis programs in Fiscal Year (FY) 2007 was \$2.227 billion. VHA paid \$298,136 in interest penalties. An interest penalty is assessed whenever a claim subject to a contract or negotiated agreement is paid more than 30 days following receipt of the claim.
- b. VHA CBO conducted an informal survey in late fiscal year 2007 to determine the scope and volume of the issue. However, very few sites reported a significant volume of cases. In response to the lack of tools or data to properly measure the number of cases, CBO created a workgroup in January 2008 to address process issues and data collection requirements needed to properly evaluate the issue.
- c. The workgroup, in conjunction with the NFPO, developed standardized business processes and letter templates for use at VA Medical Centers to address adverse credit actions. Additionally, changes to the Stoplight Report were made to include monthly reporting by each Fee site of the number of Veterans' adverse credit actions reported to VA and the results of whether or not the adverse reporting was a direct result of delays in timely processing of claims for authorized non-VA care.
- **3. POLICY:** It is VHA policy to assist any Veteran who experiences an adverse credit action due to VA failure to process and pay a valid claim within 30 days of the date of receipt of the claim for purchased non-VA health care services.

4. ACTION

a. <u>Veterans Integrated Service Network (VISN) Director.</u> The VISN Director is responsible for ensuring that each Fee Basis program within the VISN has appropriate procedures in place to:

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- (1) Ensure timely adjudication and processing of claims;
- (2) Ensure timely reconciliation of obligations; and
- (3) Investigate, resolve, report, and document all reported cases of Veteran adverse credit histories.
 - b. **Facility Director.** The facility Director is responsible for ensuring that:
 - (1) Proper procedures are in place for the timely adjudication and processing of claims.
 - (2) Proper procedures are in place for the timely reconciliation of obligations.
- (3) All reported cases of Veteran adverse credit histories are investigated and resolved in an appropriate and timely manner.
- (4) All reported cases of Veteran adverse credit histories are included on the monthly Stoplight Report.
 - c. **Fee Manager.** The Fee Manager is responsible for:
 - (1) Timely adjudication and processing of claims according to current VHA policy.
 - (2) Timely reconciliation of obligations according to Fiscal policy.
- (3) Investigating and resolving all reported cases of Veteran adverse credit histories. This can be done by:
 - (a) Communicating with the creditor;
 - (b) Requesting the creditor to expunge the Veteran's adverse credit history; and
- (c) Providing the Veteran a letter explaining the circumstances for delayed VA payment for use to clear the Veteran's credit history

NOTE: Information regarding the claim may be shared with a collection agency, unless it would reveal information protected by Title 38 United Sates Code 7332. Before information is shared a Business Associate Agreement may be required between the health care provider and the collection agency to comply with the information disclosure provisions of the Health Insurance Portability and Accountability Act.

(4) Providing written notice of the result of investigations and proper resolution of all reported cases of Veteran adverse credit histories. A written notice accepting or denying responsibility, based upon the investigatory findings, must be provided to each Veteran who claims the Veteran's credit has been adversely affected as a consequence of VA actions.

NOTE: Business rules for investigation and resolution of reports of Veteran adverse credit history, and sample template letters may be found on the CBO National Fee Program Office Web page at: http://vhahacnonva.vha.med.va.gov/default/default.asp.

- (5) Tracking and reporting on occurrences of adverse credit history on the monthly Stoplight Report.
 - (6) Retaining documentation of actions taken in Veteran's administrative record.

5. REFERENCES

- a. M-1, Part 1, Chapter 18.
- b. M-1, Part 1, Chapter 21.
- c. M-1, Part 1, Chapter 22.
- **6. FOLLOW-UP RESPONSIBILITY**: The Chief Business Officer (16) is responsible for the contents of this Directive. Questions should be referred to the National Fee Program Office at (303) 398-5160.
- **7. RECISSIONS:** None. This VHA Directive expires June 30, 2014.

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