



February 2019

## Indian Health Services (IHS) and Tribal Health Program (THP) Reimbursement Agreements Program Factsheet

### Overview

The VA- IHS/THP Reimbursement Agreements Program provides a means for IHS and THP health facilities to receive reimbursement from the VA for direct care services provided to eligible American Indian/Alaska Native (AI/AN) Veterans. This program is part of a larger effort set forth in the VA and IHS Memorandum of Understanding signed in October 2010 to improve access to care and care coordination for our nation's Native Veterans.

### Benefits

VA Reimbursement Agreements with IHS and THP sites allow VA to pay for direct care services provided by IHS or Tribal facilities to eligible Native Veterans.

- **Medical Benefits Package** – Under the VA-IHS Agreement, VA will reimburse for direct health services provided in VA's Medical Benefits package available to all eligible Veterans under 38 CFR § 17.38.
- **Choice of care provider** – Eligible AI/AN Veterans can choose to receive their health care from the IHS/THP facility and/or VA facility.
- **Pharmacy** – The VA will reimburse IHS and THP facilities for pharmaceuticals (on the VA formulary) for outpatient emergent need prescriptions or other outpatient prescriptions to include reimbursement for long term prescriptions (medications that are more than 30 days).
- **No Copayment** – Pursuant to section 405(c) of the Indian Health Care Improvement Act (IHCIA), VA copayments do not apply to direct care services delivered by the IHS or THP healthcare facility to eligible AI/AN Veterans under agreements with VA.
- **No Outstanding Balances** – IHS and THPs will bill third parties prior to billing VA, so that VA is responsible only for the balance remaining after other third party reimbursements.

### Direct Care Services

VA will reimburse direct care services provided by the IHS or THP facility. Contracted services outside of the particular IHS/THP facility will not be covered by VA.

## Eligibility and Enrollment

An AI/AN Veteran is eligible if they are enrolled in VA's system of patient enrollment in accordance with 38 U.S.C. § 1705 and 38 C.F.R. 17.36 or is otherwise eligible for hospital care and medical services under 38 U.S.C. § 1705(c)(2) and 38 C.F.R. 17.37(a)-(c). The AI/AN Veteran must also be eligible for health care services from IHS and/or THP.

## Payment Methodologies

Direct Care Services and fees are reimbursed according to the following payment methods and rates:

- **Inpatient hospital services** are based on Medicare Inpatient Prospective Patient System.
- **Outpatient services** are based on the IHS All Inclusive Rate published in the Federal Register.
- **Critical Access Hospitals** are reimbursed at the established rate as determined by Medicare.
- **Ambulatory Surgical Services** are reimbursed at Medicare rates.
- Under the VA-IHS/THP Reimbursement Agreement, all paper claims will be reduced by \$15 to cover administrative costs.

## Website

The following website contains more program information:

- VHA Office of Community Care Website:  
<https://www.va.gov/COMMUNITYCARE/programs/veterans/ihs/index.asp>
- VA Office of Tribal Government Relations Website:  
<http://www.va.gov/tribalgovernment/>

## Contact Information

For questions or more information on getting started with the reimbursement agreements, please contact the VA-IHS/THP Reimbursement Agreements Team via email at: [tribal.agreements@va.gov](mailto:tribal.agreements@va.gov).