



DEPARTMENT OF VETERANS AFFAIRS  
UNDER SECRETARY FOR HEALTH  
WASHINGTON DC 20420

AUG 24 2012

Dear Tribal Leader:

We are writing to provide an update on the recent consultation regarding the Department of Veterans Affairs (VA) reimbursement of direct care services provided by the Indian Health Service (IHS) and tribal health programs to eligible American Indian and Alaska Native (AI/AN) Veterans. VA is moving forward with establishing separate Agreements with tribal health programs. Special recognition goes out to IHS as our recent work together, with input from tribal leaders, informed this effort.

Agreements between VA and tribal health programs will be established pursuant to 38 U.S.C. § 8153 and § 405(c) of the Indian Health Care Improvement Act (IHCIA), as amended by § 10221 of the Patient Protection and Affordable Care Act (PPACA), 25 U.S.C. § 1645(c).

Two of the issues that were raised in the tribal consultation related to copayments and third party billing. It has been determined that, pursuant to § 405(c) of the IHCIA, VA copayments do not apply to direct care services delivered by the tribal health program or IHS to eligible Veterans for which VA reimburses under an agreement with the tribal health program or IHS, if the Veteran was eligible for services from the tribal health program or IHS absent an agreement with VA. Also pursuant to § 405(c) of IHCIA, IHS and tribal health programs will bill all third party payers, as permissible by law for IHS or the tribal health programs, prior to billing VA under these agreements so that VA is responsible only for the balance remaining after other third party reimbursements.

In order to facilitate the initiation of Tribal Agreements with VA, we are transmitting the following documents for your review and consideration:

- VA Tribal Consultation response document
- Highlights of VA and Tribal Health Program Agreements
- Tribal Health Program Claim Processing Site Readiness Criteria. The Site Readiness Criteria outlines specific conditions that are required to be met in order for VA to pay claims. If a location cannot meet requirements an exception can be requested. Tribal health program sites meeting these criteria will be able to be prioritized for implementation first.

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Reimbursement of Direct Care Services Provided by Tribal Health Programs to Eligible American Indian and Alaska Native (AI/AN) Veterans

Tribal health programs interested in establishing an agreement with VA may submit a letter of interest to VA through their tribal leadership or governing body to [Tribal.agreements@va.gov](mailto:Tribal.agreements@va.gov). The Veterans Health Administration (VHA), Chief Business Office will contact you to schedule a date and time to review the process of developing a local Agreement. Concurrent to this process, tribal leaders are encouraged to initiate discussions with their local Veterans Integrated Service Network leadership and/or local VA Medical Center leadership to obtain more information about VA care and programs. Tribal health programs may choose to move forward with assisting eligible Veterans with enrolling in the VHA health care system.

For additional information or to request a listing of your local VA points of contact, please forward inquiries to the e-mail address listed above. We look forward to working with you towards the collective goal of increasing access to care for our AI/AN Veterans.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert A. Petzel". The signature is fluid and cursive, with the first name "Robert" being the most prominent part.

Robert A. Petzel, M.D.

Enclosures



**VA-Indian Health Service and  
VA-Tribal Health Programs Health Care Agreement  
Frequently Asked Questions**

The Department of Veterans Affairs (VA) and the Department of Health and Human Services (HHS)/ Indian Health Service (IHS) held two (2) tribal consultations on March 5 and April 5 regarding the VA/IHS draft reimbursement Agreement. This frequently asked questions (FAQ) document was crafted to respond to input received from tribal leaders during this comment period. This FAQ document provides clarification regarding entering into Agreements with the VA. Comments received during the tribal consultation process informed the agencies' collective efforts moving forward.

**1. Demonstration Sites**

Q. Will demonstration sites referenced in the April 5 Dear Tribal Leader Letter still be used?

A. Based on your input, we decided to forgo a demonstration. There will be a VA IHS agreement with local implementation plans. For tribal health programs, there will be separate agreements between VA and tribal health programs with local implementation plans.

**2. VA IHS National Agreement**

Q. Are tribal health programs covered for reimbursement from VA once the VA IHS Agreement is signed?

A. No. Tribal health programs will need to work with local VA facilities in crafting local Agreements. The principles of the VA IHS Agreement will serve as a basis for VA's Agreements with tribal health programs. However, the VA IHS Agreement will apply only to IHS facilities with local implementation plans.

**3. Reimbursable Services**

Q. What reimbursable services are covered under the VA/IHS Agreement?

A. Reimbursement would be for direct health care services provided to American Indian and Alaska Native Veterans (AI/AN) who are eligible for both IHS and VA health care services as described in the VA IHS Agreement. VA will reimburse only for Direct Care Services provided in the Medical Benefits package available to Veterans at 38 C.F.R. §



17.38 or for which the eligible American Indian/Alaska Native (AI/AN) Veteran meets other VA qualifying criteria.

#### **4. Contract Health Services**

Q. Are Contract Health Services (CHS) being discussed for consideration to be included in the VA IHS Agreement or the VA-tribal health program Agreements?

A. Contract health services pursuant to Code of Federal Regulations (CFR), at Title 42, Section 136.21 through 136.25, will not be covered under the VA IHS Agreement or VA-tribal health program agreements.

#### **5. Long Term Care**

Q. Is long term care a covered benefit that will be reimbursed by VA under these agreements?

A. Although long term care currently is not provided in IHS facilities, tribal health programs may provide such care. Long term care may be included in the Agreements with tribal health programs consistent with VA eligibility and requirements for such care.

#### **6. Behavioral Health Care**

Q. Will behavioral health care services be included in the Agreements?

A. Yes, if it is a direct health care service offered by the IHS or tribal health program. VA will reimburse only for Direct Care Services provided in the Medical Benefits package available to Veterans at 38 C.F.R. § 17.38. VA will not reimburse for any services that are excluded from the Medical Benefits package or for which the eligible AI/AN Veteran does not meet other VA qualifying criteria.

#### **7. VA Medical Benefits Package**

Q. Will VA provide training/technical assistance on the VA Medical Benefits Package and ensure IHS and tribal health programs understand the scope of VA's health care benefits and VA eligibility requirements?

A. VA is collaborating with IHS and tribal organizations to provide training on the VA enrollment process, eligibility and medical benefits. To date, six online training sessions have been conducted. In addition, similar training was offered at four VA tribal leaders meetings during April 2012. VA will continue to identify opportunities to collaborate on training with Indian Health Service and the tribal organizations.



## **8. Eligibility Determination**

Q. Are IHS or tribal health programs required to determine the eligibility of care for AI/AN Veteran patients?

A. VA determines eligibility for VA care. IHS or tribal health programs determine eligibility for IHS or tribal health program care. Together, VA, IHS and tribal health program business offices must coordinate efforts to verify eligibility of AI/AN Veterans.

## **9. Retroactive Billing**

Q. Will tribal health programs and IHS receive retroactive reimbursement for services rendered on and after March 23, 2010?

A. No. The Agreement between VA and IHS will cover payment for only those Direct Care Services provided to eligible AI/AN Veterans after the effective date of the Agreement where local implementation plans are in effect. Tribal health programs will be reimbursed for direct care services provided after the effective date a signed Agreement is established with the local VA facility.

## **10. Third Party Billing**

Q. Some Veterans are covered by health insurance and the IHS or tribal health program invoices insurance companies. Would VA coordinate the benefits and pay as secondary payer?

A. Pursuant to 25 U.S.C. 1645(c), IHS and tribal health programs will bill all third party payers, as permissible by law for IHS or the tribal health programs, prior to billing VA for direct care services under these agreements so that VA is responsible only for the balance remaining after other third party reimbursements.

## **11. Copayments**

Q. Will VA charge copays to AI/AN Veterans?

A. Pursuant to 25 U.S.C. 1645(c), VA copayments do not apply to direct care services delivered by the tribal health program or IHS to eligible Veterans for which VA reimburses under an agreement with the tribal health program or IHS, if the Veteran was eligible for services from the tribal health program or IHS absent an agreement with VA.



## **12. Payment Methodologies**

Q. Must tribal health programs have billing capabilities in order to receive reimbursement?

A. Yes, tribal health programs (as well as IHS) must have the capability to bill in order to receive reimbursement under agreements with VA. Inpatient hospital services and outpatient services will be processed using Medicare payment methodologies based on the services provided and documented on the billing form in electronic format.

## **13. Pharmaceuticals**

Q. Are Indian Health and tribal health programs required to use the Consolidated Mail Outpatient Pharmacy (CMOP)?

A. Under agreements with VA, IHS and tribal programs will receive reimbursement for up to a 30-day supply of outpatient medications provided directly to eligible AI/AN Veterans for outpatient emergency prescriptions or other outpatient prescriptions. Medications required by eligible AI/AN Veterans beyond an initial 30-day supply can be referred to VA's Consolidated Mail Outpatient Pharmacy (CMOP) for routine, long-term outpatient medication.

## **14. Quality of Care**

Q. Are there any additional reporting measures required by tribal health programs?

A. VA will work cooperatively with the IHS and tribal health programs to ensure access to quality care for American Indian and Alaska Native Veterans.

VA and IHS/tribal health programs will develop a process to share patient records consistent with relevant privacy laws and will continue activities to share data electronically.

In order to receive reimbursement under agreements with VA, IHS and tribal health programs will meet requirements for CMS certification/conditions of participation and/or accreditation through The Joint Commission or Accreditation Association for Ambulatory Health Care (AAAHC).



## Tribal Health Program Claim Processing Site Readiness

Tribal Health Programs (THP) must meet claims processing site readiness criteria to be determined ready for implementation (processing of claims). The VA and THP must have an approved Sharing Agreement and Site Readiness evaluation complete prior to the THP seeking reimbursement for claims. The VA will work with THP to ensure these criteria are met prior to the Sharing Agreement being approved. The VA will also work with THP to consider exceptions to the below criteria. THP sites meeting the following criteria will be prioritized for implementation first.

Additional information and inquiries should be directed to the following mailbox:

[Tribal.agreements@va.gov](mailto:Tribal.agreements@va.gov)

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The following is the initial set of criteria for each THP site to complete prior to receiving final approval of the Sharing Agreement and prior to seeking reimbursement for claims:

1. Must have the capability to verify eligibility of the American Indian / Alaska Native (AI/AN) Veteran(s) with the VA Health Eligibility Center (HEC)  
<http://www.va.gov/healthbenefits/apply/> .
2. Must meet requirements for the Centers for Medicare and Medicaid (CMS) certification (Conditions of Participation/Conditions of Coverage) or the accreditation standards of organizations deemed by CMS, such as The Joint Commission (TJC) or the Accreditation Association for Ambulatory Health Care (AAAHC) and provide certification to the VA.
3. Must have capability to include an Explanation of Benefits (EOB) with all claims, indicating VA is responsible only for the balance remaining after other third party reimbursements.
4. Must have Electronic Data Interchange (EDI) established and use a unique identifier on the claim for accurate routing and reimbursement\*
  - 4.1. Must include the VHA Facility Station number on the claim to identify the VHA Facility with which the agreement was established. The location of the field to insert the facility station number is Field 63 on the CMS 1450 (UB 04), Treatment Authorization Codes and Field 23 on the CMS 1500 (HCFA) Prior Authorization Number
  - 4.2. Must send a value of "THP" in the SBR03 data element. This will enable routines to identify with a flag the claim in FPPS as 'Y' for the THP.
5. Must be connected to Emdeon Clearing Warehouse \*
6. Must be vendorized by the Purchased Care office in the claims processing system\*

\*Additional information will be provided once the THP initiates the process with the local VAMC and Veteran Health Administration, Chief Business Office for Purchased Care.



## **HIGHLIGHTS OF VA and TRIBAL HEALTH PROGRAM AGREEMENTS**

Agreements between the Department of Veterans Affairs (VA) and Tribal health care programs to provide health care to American Indian/Alaska Native (AI/AN) Veterans on a reimbursable basis must meet certain requirements. Below are highlights of these requirements. A full list of requirements can be seen in the Sharing Agreement Template and Site Readiness Checklist.

### **Quality of Care and Certification**

- Tribal health programs and VA will work cooperatively to assure quality care is advanced for AI/AN Veterans. Tribal health programs will agree to promote quality health care through collaborative activities to review, measure and report on the quality of care delivered to eligible AI/AN Veterans.
- VA and Tribal health programs will develop a process to share patient records consistent with relevant privacy laws and will continue activities to share data electronically.
- Tribal health program will meet requirements for CMS certification and/or accreditation through The Joint Commission or Accreditation Association for Ambulatory Health Care (AAAHC).

### **Eligibility and Reimbursement**

- AI/AN Veterans must be enrolled and eligible for VA Healthcare
- Reimbursement is for direct health care services provided to AI/AN Veterans who are eligible for Tribal health program and VA health care services, and enrolled in VA's health care system if required by the VA.
- VA will reimburse only for direct health care services provided in VA's Medical Benefits Package available to Veterans at 38 C.F.R. § 17.38. VA will not reimburse for any services that are excluded from the Medical Benefits Package or for which the Eligible AI/AN Veteran does not meet other VA qualifying criteria.
- Tribal programs will receive reimbursement from VA for not more than a 30-day supply of outpatient medications provided directly to eligible AI/AN Veterans for outpatient emergency prescriptions or other outpatient prescriptions. Medications required by eligible AI/AN Veterans beyond an initial 30-day supply must be obtained from VA's Consolidated Mail Outpatient Pharmacy (CMOP) for routine, long-term outpatient medication.

### **Payment Methodologies**



- Payment methodologies are proposed as follows: Inpatient hospital services would be based on Medicare payment methodologies specific to inpatient stays (IPPS). Outpatient services would be based on the Medicare rates. Professional fees will be reimbursed separately from facility fees.
- Claims submission will be based on industry standards and in electronic format.
- Tribal health programs will bill all third party payers, as permissible by law for Tribal health programs, prior to billing VA for direct care services under these agreements so that VA is responsible only for the balance remaining after other third party reimbursements.
- VA copayments do not apply to direct care services delivered by the Tribal health program to eligible AI/AN Veterans for which VA reimburses under an agreement with the tribal health program, if the Veteran was eligible for services from the tribal health program absent an agreement with VA.

#### **Deviations from Agreement Highlights**

- VA will work with Tribal health programs to consider local deviations from the agreement requirements.