

HEALTH CARE RESOURCES SHARING WITH THE DEPARTMENT OF DEFENSE

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Directive establishes policy that defines the duties and responsibilities of the Department of Veterans Affairs (VA) staff who serve in planning, advisory, approval, and implementation roles for health care resources sharing with the Department of Defense (DoD).
- 2. SUMMARY OF MAJOR CHANGES:** The responsibilities for VA TRICARE Regional Office Representatives were added to this Directive. The responsibilities of the Deputy Under Secretary for Health for Operations and Management, Veterans Integrated Service Network (VISN) Directors, and VA medical facility Directors are amended.
- 3. RELATED ISSUES:** VHA Handbooks 1660.04 and 1660.06.
- 4. RESPONSIBLE OFFICE:** The Office of Interagency Health Affairs, VA-DoD Medical Sharing Office, is responsible for the contents of this Directive. Questions may be addressed to 202-461-4195.
- 5. RESCISSIONS:** VHA Directive 2010-040, dated September 16, 2010, is rescinded.
- 6. RECERTIFICATION:** This VHA Directive is scheduled for recertification on or before the last working day of July 2020.

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HEALTH CARE RESOURCES SHARING WITH THE DEPARTMENT OF DEFENSE

1. PURPOSE: This Veterans Health Administration (VHA) Directive defines policy regarding the sharing of health care resources with the Department of Defense (DoD).

AUTHORITY: 38 U.S.C. 8111, 10 U.S.C. 1104.

2. BACKGROUND:

a. Title 38 United States Code (U.S.C.) 8111, Sharing of Department of Veterans and Department of Defense Health Care Resources, provides that the Department of Veterans Affairs (VA) and DoD must facilitate the mutually beneficial coordination, use, or exchange of use of the health care resources of the two Departments. Title 38 United States Code (U.S.C.) 8111, subsection d, stipulates that the Secretaries establish a Joint Incentives Program to provide incentives to implement, fund, and evaluate creative coordination and sharing initiatives at the facility, intra-regional, and nationwide levels.

b. The Health Executive Council (HEC), co-chaired by the Under Secretary for Health and the DoD Assistant Secretary for Health Affairs, was established to institutionalize VA and DoD sharing and collaboration to ensure the efficient use of services and resources. The HEC oversees the cooperative efforts and works to remove barriers and challenges that impede collaborative efforts, assert and support mutually beneficial opportunities to improve business practices, ensure high-quality cost-effective health care services for both VA and DoD beneficiaries, and facilitate opportunities to improve resource utilization.

3. POLICY: It is VHA policy to improve access to quality, continuous, and cost effective health care. VA medical facilities and Veterans Integrated Service Networks (VISN) should seek opportunities to enter into sharing agreements with DoD. These sharing agreements provide for the use or exchange of health care resources that provide a mutual benefit for VA and DoD while enhancing or maintaining quality services routinely provided to Veterans.

4. RESPONSIBILITIES:

a. **Deputy Under Secretary for Health for Operations and Management.** The Deputy Under Secretary for Health for Operations and Management is responsible for reviewing and approving, as appropriate, all health care resources sharing agreements.

b. **Executive Director, Office of Interagency Health Affairs.** The Chief Officer, Office of Interagency Health Affairs, is responsible for:

(1) Developing policy, providing oversight of the VA-DoD Medical Sharing Office, and certifying all VA-DoD sharing agreements, as appropriate.

(2) Facilitating identification of sharing opportunities at the VISN and VA medical facility level.

(3) Providing guidance and assistance with business plan development and implementation strategies.

(4) Developing strategic vision for partnering with DoD in coordination with VA's Office of Policy and Planning and VHA Central Office Program Offices, VISNs, and VA medical facilities.

c. **VA-DoD Medical Sharing Office (MSO)**. MSO representatives are responsible for:

(1) Coordinating with the VISN or VA medical facility Directors, VHA Central Office, and DoD partners to assist in developing sharing agreements.

(2) Identifying new areas where economies of scale can be realized.

(3) Serving as VA's primary education link between VISNs and DoD regarding sharing agreements.

(4) Providing subject matter expertise to military treatment facilities within the region.

(5) Participating in the development, analysis, and implementation of long-term and short-term policies for collaboration between the two health care delivery systems.

d. **Veterans Integrated Service Network Directors**. VISN Directors are responsible for:

(1) Reviewing proposed sharing agreements from VA medical facility Directors.

(2) Identifying opportunities for sharing agreements in the VISN.

(3) Submitting proposed sharing agreements to the Deputy Under Secretary for Health for Operations and Management and the VA-DoD Medical Sharing Office for approval.

(4) Seeking opportunities for sharing health care resources with DoD in the market area by utilizing any of the following criteria:

(a) A review of non-VA care expenditures;

(b) The ability to co-locate services at one facility to promote economies of scale, avoid duplicative costs, or support Graduate Medical Education (GME) programs;

(c) Excess capacity for health care services;

(d) Potential expansion or enhancement of health care services through joint projects with DoD;

(e) New facility construction requirements, especially those for community-based outpatient clinics;

(f) Streamlining the transition process for active-duty Servicemembers to Veteran status; and

(g) Veteran and DoD beneficiary population needs.

(5) Considering potential sharing with DoD when analyzing and evaluating strategic health care planning issues for local health care markets, or across the system.

(6) Reviewing all new major equipment purchases or new clinical services to be provided in order to determine if the equipment or clinical services could be shared with DoD. If so, VISN and VA medical facility Directors shall consider utilizing the Joint Incentive Fund as a potential funding mechanism for joint VA-DoD projects.

(7) Reviewing their sharing agreements with DoD periodically to determine the outcomes of such arrangements. Outcomes shall be measured by:

(a) Increased access and capacity (workload, appointments, and procedures) for Veterans;

(b) Decreased waiting time for appointments for Veterans;

(c) Decreased expenditures for non-VA medical care; and

(d) Reduction in duplicative functions.

(8) Entering into TRICARE Network Provider Agreements with DoD Managed Care Support Contractor (MCSC) to provide care to DoD beneficiaries as VA resources allow.

NOTE: *Some actions may occur at either or both the VISN or VA medical facility level. In some situations, sharing activities will take place primarily at the VA medical facility level with the VISN providing additional guidance and oversight.*

e. **Medical Facility Directors.** The medical facility Directors' responsibilities include:

(1) Identifying opportunities for local sharing agreements.

(2) Negotiating the scope and responsibilities of a potential sharing agreement with DoD facility leadership.

(3) Submitting proposed sharing agreements to the VISN Director for review.

(4) Ensuring the sharing agreement, once approved, is duly executed.

(5) Seeking opportunities for sharing health care resources with DoD in the market area by utilizing any of the following criteria:

(a) A review of non-VA care expenditures;

(b) The ability to co-locate services at one facility to promote economies of scale, avoid duplicative costs, or support GME programs;

(c) Excess capacity for health care services;

(d) Potential expansion or enhancement of services through joint projects with DoD;

(e) New facility construction requirements, especially those for community-based outpatient clinics;

(f) Streamlining the transition process for active-duty Servicemembers to Veteran status; or

(g) Veteran and DoD beneficiary population needs.

(6) Considering potential sharing with DoD when analyzing and evaluating strategic health care planning issues for local health care markets, or across the system.

(7) Reviewing all new major equipment purchases or new clinical services to be provided to determine if the equipment or clinical services could be shared with DoD. If so, VISN and VA medical facility Directors shall consider utilizing the Joint Incentive Fund as a potential funding mechanism for joint VA-DoD projects.

(8) Reviewing their sharing agreements with DoD periodically to determine the outcomes of such arrangements. Outcomes shall be measured by:

(a) Increased access and capacity (workload, appointments, and procedures) for Veterans;

(b) Decreased waiting time for appointments for Veterans;

(c) Decreased expenditures for non-VA care; and

(d) Reduced duplicative functions.

(9) Entering into TRICARE Network Provider Agreements with DoD MCSC to provide care to DoD beneficiaries, as VA resources allow.

(10) Ensuring that education and training agreements with DoD are duly executed by:

(a) Retaining full responsibility for patient care and maintaining the administrative and professional supervision of all military personnel insofar as their presence affects the operation of the VA medical facility;

(b) Reviewing and endorsing the education and training schedule provided by the military unit commander. This review includes:

1. Verifying the licensure and certification of each active duty, Guard, and Reserve medical personnel for professional and technical qualifications; and

2. Formal privileging of trainees by the usual VA medical facility mechanisms.

NOTE: See VHA Handbook 1100.19, *Credentialing and Privileging*, for more information.

(c) Ensuring that personnel have been informed of applicable rules and regulations with which they are expected to comply;

(d) Requiring the military unit commander to withdraw any DoD person for unsatisfactory performance or behavior; and

(e) Requiring the military unit commander to provide the names and qualifications of military supervisors assigned to work with VA staff.

NOTE: Some actions may occur at either or both the VISN or VA medical facility level. In some situations, sharing activities will take place primarily at the VA medical facility level with the VISN providing additional guidance and oversight.

5. REFERENCES:

a. 38 U.S.C. 8111.

b. VHA Handbook 1660.04, VA-DOD Direct Health Care Sharing Agreements, <http://vaww.va.gov/vhapublications/publications.cfm?Pub=1>. **NOTE:** This is an internal VA Web site that is not available to the public.

c. VHA Handbook 1660.06, VA-TRICARE Network Agreement, <http://vaww.va.gov/vhapublications/publications.cfm?Pub=1>. **NOTE:** This is an internal VA Web site that is not available to the public.

d. Memorandum of Understanding between Department of Veterans Affairs and Department of Defense: Health Care Resources Sharing Guidelines, dated October 31, 2008.

7. DEFINITIONS:

a. **Health Care Resource.** Health care resource is defined to include hospital care, medical services, and rehabilitative services, as those terms are defined in paragraphs (5), (6), and (8), respectively, of 38 U.S.C. 1701, services under 38 U.S.C. 1782 and 1783, any other health-care service, and any health-care support or administrative resource.

b. **Joint Incentive Fund.** Title 38 U.S.C. 8111(d)(2) authorizes the DoD-VA Health Care Sharing Incentive Fund to provide seed money for creative sharing initiatives at facility, regional, and national levels to facilitate the mutually beneficial coordination, use, or exchange of health care resources, with the goal of improving the access to, and

quality and cost effectiveness of, the health care provided to beneficiaries of both Departments.

c. **Joint Venture.** A Joint Venture is a locally negotiated healthcare resources sharing agreement creating a strategic alliance designed to share members' strengths, minimize risks, improve management of resources, and improve access to care. The joint venture agreement includes the responsibility, duties, and rights of each member. Joint Ventures can apply to the full range of facility services or be limited to specific product lines. Value is determined by measuring improvements in health care quality, access, and cost from the product/service/or outcome of the partnering initiative. Referrals and shared services in support of training or Graduate Medical Education are viewed not in terms of dollars, but as components of the program as a whole.

d. **Sharing Agreement.** A sharing agreement is a written agreement that provides structure and responsibilities between VA and DoD for the provision or exchange of health care resources. The sharing agreement shall delineate types of services provided or required, costs of services, personnel required, administrative requirements, and billing and reimbursement procedures. Sharing agreements shall be for clinical or diagnostic services, exchange of medical staff, transportation, medical training and education, equipment repair, police protection, or other administrative services.

e. **TRICARE Network Provider Agreement.** The TRICARE Network Provider Agreement is a written agreement between VA and the DoD MCSC whereby VA medical facilities agree to participate in the DoD MCSC network to provide health care services to DoD beneficiaries in accordance with TRICARE regulations, policies, and procedures.