

MONITORING "REASONS NOT BILLABLE"

1. REASON FOR ISSUE: This Veterans Health Administration (VHA) directive establishes policy for management, reporting and analysis of the reasons that medical care and services provided are not billable to third-party payers (TPP) under the Medical Care Collections Fund (MCCF) Revenue Program.

2. SUMMARY OF MAJOR CHANGES: Major changes include:

a. Additional responsibilities for the Director, Office of Community Care Revenue Operations (see paragraph 4.d.).

b. Removed standard operating procedures (SOP) language that is outlined in OCC Revenue Operations Program Consolidated Patient Account Centers (CPAC) SOP P-04-02-01 Monitoring "Reasons Not Billable", available at:

<https://dvagov.sharepoint.com/:b:/r/sites/VHAqnp/Policies/Monitoring%20Reasons%20Not%20Billable%20P-04-02-01%20July%202020%20SAT.pdf?csf=1&web=1&e=wLjxMe>.

NOTE: *This is an internal VA website that is not available to the public.*

3. RELATED ISSUES: VHA Directive 1030, VHA Integrity and Compliance Program, dated December 29, 2020 and VHA Directive 1601C.02, Revenue Utilization Review, dated February 1, 2019.

4. RESPONSIBLE OFFICE: The VHA Office of Community Care is responsible for the contents of this directive. Questions may be addressed to VHA13CommunityCareAction@va.gov.

5. RESCISSIONS: VHA Directive 1600, Monitoring "Reasons Not Billable", dated December 13, 2013, is rescinded.

6. RECERTIFICATION: This VHA directive is scheduled for recertification on or before the last working day of March 2026. This directive will continue to serve as national VHA policy until it is recertified or rescinded.

**BY DIRECTION OF THE OFFICE OF
THE UNDER SECRETARY FOR HEALTH:**

/s/ Elizabeth L. Brill, MD, MBA, FACOG
Acting Assistant Under Secretary for Health
for Community Care

March 5, 2021

VHA DIRECTIVE 1600

NOTE: All references herein to VA and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.

DISTRIBUTION: Emailed to the VHA Publications Distribution List March 9, 2021.

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MONITORING "REASONS NOT BILLABLE"

1. PURPOSE

This Veterans Health Administration (VHA) directive provides policy for management, reporting and analysis of the reasons that medical care and services provided are not billable to third-party payers (TPP) under the VHA Medical Care Collections Fund (MCCF) Revenue Program. **AUTHORITY:** Title 38 United States Code (U.S.C.) §§ 1729, 7301(b); Title 38 Code of Federal Regulations (C.F.R.) 17.101, 17.106.

2. BACKGROUND

The revenue collected from the VHA MCCF Revenue Program contributes directly to the President's budget by providing funds for direct medical care as an outcome of billing and collecting from TPPs for non-service-connected care. The Reasons Not Billable (RNB) Report was originally developed to document why VHA was not able to bill TPP for medical care and related services such as:

- a. Service Connected (SC) and Special Authority (SA) eligible care;
- b. Administrative issues including documentation, credentialing, benefit election; and
- c. Health insurance policy limitation and coverage. **NOTE:** *Revenue Operations' standard operating procedures (SOP) for utilization and application of RNB can be accessed on the Revenue Operations (RO) Knowledge Management (KM) website, available at:*

https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/55440000001029. This is an internal VA website that is not available to the public.

3. POLICY

It is VHA policy to monitor RNB to identify and document areas for improvement. This includes ensuring encounters are properly reviewed and verified as not billable.

4. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for ensuring overall VHA compliance with this directive.

b. **Assistant Under Secretary for Health for Community Care.** The Assistant Under Secretary for Health for Community Care is responsible for:

(1) Communicating the contents of this directive to the Office of Community Care (OCC), Revenue Operations.

(2) Supporting OCC with implementation and oversight of this directive.

c. **Assistant Under Secretary for Health for Operations.** The Assistant Under Secretary for Health for Operations is responsible for:

(1) Communicating the contents of this directive to each of the Veterans Integrated Service Networks (VISN).

(2) Assisting VISN Directors to resolve implementation and compliance challenges in all VA medical facilities within that VISN.

(3) Providing oversight of VISN to ensure compliance with this directive and its effectiveness.

d. **VHA Executive Director, Office of Community Care, Revenue Operations.** The VHA Executive Director, OCC Revenue Operations is responsible for:

(1) Providing oversight of Consolidated Patient Account Centers (CPAC) to ensure compliance with this directive, relevant standards and applicable regulations as listed in this directive and ensuring corrective action is taken if non-compliance was identified.

(2) Providing oversight and guidance to CPAC on the use of the RNB.

(3) Communicating the contents of this directive to each of the CPAC.

(4) Ensuring that each CPAC Director has the sufficient resources to fulfill the requirements of this directive in their CPAC.

(5) Enrolling providers using credentialing information provided by the VA medical facility Director.

e. **Consolidated Patient Account Center Director.** Each Consolidated Patient Account Center (CPAC) Director is responsible for:

(1) Ensuring that designated CPAC staff are reviewing RNB outlined in the CPAC RNB Monitoring Policy and developing and implementing corrective action plans.

(2) Coordinating input for review, monitoring, and creating action plans from other Revenue Operations functional areas impacted by RNB.

(3) Ensuring that all CPAC corrective actions are sent for the appropriate committee's review, approval, and follow-up, as necessary.

f. **Revenue Operations Compliance Officer.** Each Revenue Operations Compliance Officer (ROCO) is responsible for:

(1) Monitoring CPAC-level RO RNB activities and or corrective actions on outliers which are reported in CPAC Compliance Committees. Risk and issues identified but not resolved at the CPAC Compliance Committee level are escalated for corrective action through one of the RO Operations Committees to the RO Senior Assessment Team

(SAT).

(2) Maintaining bi-directional communication with VISN Compliance Officers and assisting with the resolution of escalated RNB issues that can't be resolved between the CPAC and the VA medical facility staff.

g. **VHA Chief Officer, Office of Compliance and Business Integrity.** The VHA Chief Officer, Office of Compliance and Business Integrity (CBI) is responsible for:

(1) Developing and implementing standardized national compliance solutions for high priority RNB risks when it is more efficient and effective than developing solutions at the VISN or VA medical facility level.

(2) Providing oversight of facility, VISN and program office Compliance and Business Integrity Programs. Each Compliance and Business Integrity program office must follow the 1030 Directive which includes oversight of key risks associated with their facility, VISN and program. Part of that oversight may include the VA medical facility-level RNB process including monitoring and response when RNB is identified as a top risk for the organization. The Chief Officer of CBI will provide guidance to the VA medical facility Compliance and Business Integrity Officer as applicable.

h. **VHA Director, Health Information Management.** The VHA Director, Health Information Management (HIM) is responsible for providing guidance and oversight to HIM staff in VISNs and VA medical facilities on the appropriate use of case comments in the encoder product suite. These case comments may be used for RNB assignment by CPAC staff.

i. **Veterans Integrated Service Network Director.** Each VISN Director or designee is responsible for ensuring that all VA medical facilities within the VISN comply with this directive and informing leadership when barriers to compliance are identified.

j. **VA Medical Facility Director.** Each VA medical facility Director is responsible for:

(1) Ensuring overall VA medical facility compliance with this directive.

(2) Ensuring that designated VA medical facility staff engage in the RNB review through the VA medical facility Compliance Committee and take corrective actions as necessary.

(3) Establishing and maintaining an environment of internal controls sufficient to ensure the effectiveness and efficiency of the VA medical facility's Encoder Case Comments and RNB SOPs, and the reliability of the related financial and administrative reports and data extracts. **NOTE:** *The Encoder Case Comments are the communication pathway between HIM and Revenue.*

(4) Reviewing and approving RNB and Encoder Case Comments analyses and corrective actions through approval of VA medical facility Compliance Committee minutes.

(5) Designating a locally appointed National Provider Identifier (NPI) Coordinator.

This may be assigned as a collateral duty. Candidates for the NPI Coordinator include staff from the VA medical facility's Chief of Staff office. **NOTE:** *This operational duty cannot be assigned to the VA medical facility Compliance Officer because it is a conflict of interest for compliance officers to perform a task if their primary role is to provide oversight of that task.*

(6) Designating NPI Liaisons in Credentialing and Privileging, Nursing Services, Medical Services, Behavioral Health Services, Pharmacy, Social Services, Community Care, and Education Service that will work with the NPI Coordinator to ensure all billable providers NPI and Taxonomy are entered into the EHR.

(7) Ensuring each provider obtains an NPI and Taxonomy Code by working with the designated NPI Liaison and providing this information to the VA medical facility prior to hire. **NOTE:** *No health care provider seeking employment by VHA can be appointed to provide billable health care services at a VA medical facility without first furnishing the correct NPI and Taxonomy Code information.*

(8) Ensuring that each provider is assigned a Taxonomy Code from the Taxonomy classification file according to the definitions provided at the NUCC Website, which define each category and sub-category of provider. The NUCC website can be accessed at: <http://www.nucc.org/>. **NOTE:** *This website is outside VA control and may not conform to Section 508 of the Rehabilitation Act of 1973.*

(9) Ensuring the NPI Coordinator is communicating new and updated provider credentialing information to OCC Revenue Operations.

(10) Ensuring the VA medical facility Compliance Committee is monitoring and following up on RNB Summary Report findings as outlined in the CPAC SOP P-04-02-01, Monitoring "Reasons Not Billable" and that responsibility for developing and implementing corrective actions is assigned to the appropriate business process owner. CPAC SOP P-04-02-01 is available at: <https://dvagov.sharepoint.com/:b:/r/sites/VHAqnp/Policies/Monitoring%20Reasons%20Not%20Billable%20P-04-02-01%20July%202020%20SAT.pdf?csf=1&web=1&e=wLjxMe>. **NOTE:** *This is an internal VA website that is not available to the public.*

(11) Communicating the credentialing of new or updated providers to the VA medical facility CPAC Revenue Manager.

(12) Providing access to the necessary credentialing information to OCC Revenue Operations for provider enrollment.

k. **VA Medical Facility Compliance and Business Integrity Officer.** Each VA medical facility's CBI Officer is responsible for:

(1) Monitoring key compliance risks within the facility which might include creating and maintaining a VA medical facility RNB monitoring plan and updating corrective actions in partnership with the business process owner. Including RNB monitoring, as needed, in the VA medical facility Auditing and Monitoring plan if RNB is identified as one of the organization's top risks, and update related corrective actions periodically.

(2) Chairing the Compliance Committee, including engaging in the RNB review through the VA medical facility Compliance Committee as needed, and documenting and tracking corrective actions in partnership with the business process owner as necessary.

(3) Monitoring and following up on RNB Summary findings as outlined in the CPAC SOP P-04-02-01 if RNB is designated as a top organizational risk. CPAC SOP P-04-02-01 is available at:

<https://dvagov.sharepoint.com/:b:/r/sites/VHAqnp/Policies/Monitoring%20Reasons%20Not%20Billable%20P-04-02-01%20July%202020%20SAT.pdf?csf=1&web=1&e=wLjxMe>.

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I. Consolidated Patient Account Center Facility Revenue Manager. Each CPAC Facility Revenue Manager is responsible for:

(1) Reviewing, analyzing, drafting and ensuring follow up of RNB reviews at the VA medical facility level based on the CPAC RNB Monitor Policy.

(2) Communicate noncompliance of RNB findings related to the VA medical facility activity for proper assignment of corrective action plans.

(3) Utilizing formally approved RNB options as communicated by the OCC Director.

(4) Regularly attending the VA medical facility Compliance Committee to provide RNB reports, track corrective actions and collaborate on process improvements.

m. VA Medical Facility Chief, Health Information Management. Each VA medical facility's Chief, HIM is responsible for:

(1) Generating an Encoder Case Comments report utilizing the reporting dates by month. *NOTE: Reports are generated 2 months back to allow time for suspended cases to be addressed.*

(2) Ensuring that all HIM Coders identify and record all documentation weaknesses associated with the assigned case comments within the encoder application.

(3) Ensuring that providers and coders are educated so that appropriate improvements are made to operations.

(4) Ensuring that after analysis of RNB data, any issues that arise are documented and corrective actions taken, as necessary, including the revision of SOPs; education

and monitoring of outcomes; and assurance that the VA medical facility Compliance Committee is notified of these actions and included in Compliance Committee minutes for reporting to the VA medical facility Director.

n. **Locally Appointed National Provider Identifier Coordinator.** The locally appointed NPI Coordinator is responsible for updating NPI and taxonomy issues presented by Revenue Operations within 7 days.

5. TRAINING

There are no formal training requirements associated with this directive.

6. RECORDS MANAGEMENT

All records regardless of format (paper, electronic, electronic systems) created by this directive must be managed as required by the National Archives and Records Administration (NARA) approved records schedules found in VHA Records Control Schedule 10-1. Questions regarding any aspect of records management should be referred to the appropriate Records Officer.

7. REFERENCES

a. 38 U.S.C. § 1729.

b. 38 U.S.C. § 7301(b).

c. 38 C.F.R. 17.101 and 17.106.

d. Revenue Operations' SOPs for utilization and application of RNB can be accessed on the RO KM website:

https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/55440000001029. **NOTE:** This is an internal VA website that is not available to the public.

e. Revenue Operations' CPAC SOP P-04-02-01 is available at:

<https://dvagov.sharepoint.com/:b:/r/sites/VHAqnp/Policies/Monitoring%20Reasons%20Not%20Billable%20P-04-02-01%20July%202020%20SAT.pdf?csf=1&web=1&e=wLjxMe>. **NOTE:** This is an internal VA website that is not available to the public.