

VA Reimbursement Agreements with the Indian Health Service and Tribal Health Programs

Reimbursement agreements are being implemented with the Indian Health Service (IHS) and Tribal Health Programs (THP) to reimburse IHS and THP health care facilities for direct care services they provide to eligible American Indian/Alaska Native (AI/AN) Veterans. These agreements will increase access to care for AI/AN Veterans nationwide, with a particular positive impact for those in highly rural areas.

Milestones

- **October 1, 2010** – VA Under Secretary for Health, Dr. Petzel, and the IHS Director, Dr. Roubideaux, signed a Memorandum of Understanding (MOU) to establish coordination, collaboration, and resource-sharing between VA and IHS.
- **March 2012 through May 2012** – VA and IHS initiated tribal consultation on a draft National VA-IHS Agreement.
- **August 24, 2012** – Dr. Petzel signed and distributed a letter to Tribal Leaders with program guidance on establishing agreements with VA.
- **December 5, 2012** – VA Under Secretary for Health, Dr. Petzel, and the IHS Director, Dr. Roubideaux, signed the VA-IHS National Agreement.

Benefits

VA Reimbursement Agreements with IHS and THP allow VA to pay for direct care services provided by IHS or Tribal facilities to eligible 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 Options** – IHS health care facilities will be reimbursed when providing a 30-day supply of outpatient medications to AI/AN Veterans. After the initial 30-day supply, VA will only cover prescriptions using the Consolidated Mail Outpatient Pharmacy (CMOP) for routine, long-term outpatient medications.
- **No Copayment** – Pursuant to section 405(c) of the Indian Health Care Improvement Act (IHCA), 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 for 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 eligible AI/AN Veteran is one who is 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 and Claim Fees

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

- **Inpatient hospital services** are based on Medicare Inpatient Prospective Patient System.
- **Outpatient services** will be based on the IHS All Inclusive Rate published in the Federal Register. Under the VA-IHS Agreement, administrative fees in the amount of \$15 on outpatient claims will be applied for the first two years.
- **Critical Access Hospitals** will be reimbursed at the established rate as determined by Medicare.
- **Ambulatory Surgical Services** will be reimbursed at Medicare rates.
- Under the VA-IHS Agreement, All paper claims will incur a \$15 fee for the duration of agreements until electronic claim processing can be established.

Quality of Care

VA will work cooperatively with IHS and THPs to ensure access to quality care for AI/AN Veterans. To that end, these reimbursement agreements integrate the following:

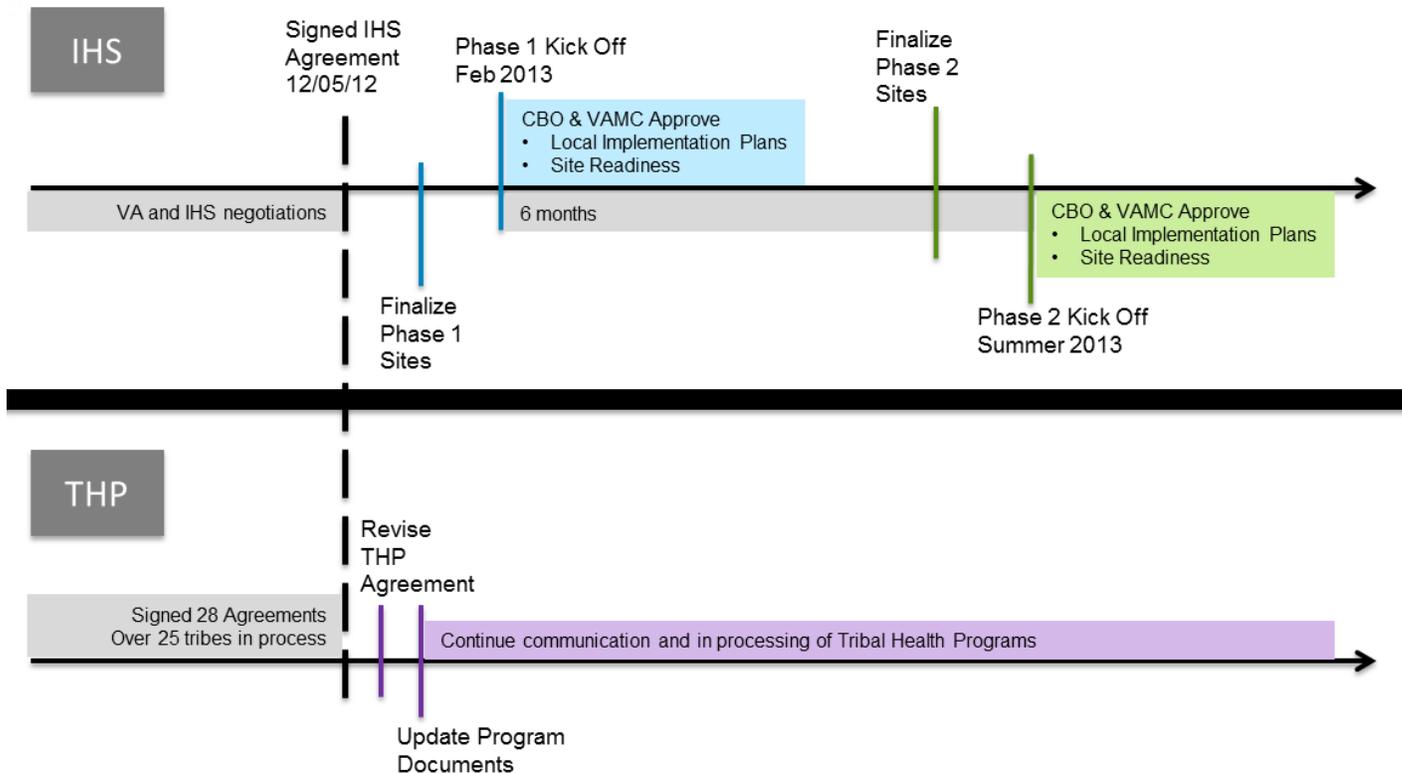
- **Information Exchange** – VA and IHS/THPs shall develop a process to share patient records consistent with relevant privacy laws and will continue activities to share data electronically.
- **Collaboration** – VA and IHS/THPs shall promote quality health care services through collaboration activities to review, measure and report on quality of care delivered.
- **Certification and Accreditation** – In order to receive reimbursement, each IHS and THP facility must meet Centers for Medicare and Medicaid (CMS) certification and CMS conditions of participation, or have accreditation through The Joint Commission or Accreditation Association for Ambulatory Health Care (AAAHC).
- **Medical Quality Assurance Activities** – At least annually, VA and IHS/THPs agree to share information on existing medical quality assurance activities required under accreditation or certification standards.

How is the IHS Reimbursement Agreement different from THP Agreements?

IHS Agreement will be implemented in a phased approach with Phase 1 including 10 selected sites. At the end of Phase 1, other IHS sites will start implementation. THP facilities will not be subject to a phased model and can begin developing agreements with local VA Medical Centers (VAMC) immediately.

What are the timelines for implementation for both programs?

The graph below details implementation timelines for IHS and THP agreements. Phase 1 of IHS implementation will begin in January 2013 and will extend for 6 months. Phase 2 will then be marked by expansion to other IHS facilities. The THP agreement implementation process is ongoing.



How many AI/AN Veterans are estimated to fall under these agreements?

Nationally, the estimate is about 48,000 for both IHS and THP Agreements.

What direct care services will be reimbursed by VA under VA agreements with IHS and THP?

Under the VA-IHS agreement and THP agreement, VA will reimburse only for direct care services provided in VA’s medical benefits package at 38 C.F.R. 17.38. Prior to providing care, it is recommended that the IHS/THP facility check with VA Health Eligibility Center or their local VAMC to determine whether a particular service is covered and that the Veteran meets any applicable eligibility criteria for the service.

How will we know that the Veteran is registered with a Tribe?

The Tribe is responsible for managing tribal memberships and each tribe sets their membership criteria.

Can non-AI/AN Veterans also be covered under these agreements?

This is contingent upon the capacity of the particular THP facility, the local VA’s medical center, and the Non-VA Care Program requirements must be stipulated in a separate agreement. In Alaska, non-AI/AN Veterans have been included in agreements with tribes due to the highly rural nature of the environment there. In those agreements, care for non-AI/AN Veterans requires prior authorization and is subject to any applicable VA copayments similar to the Non-VA Care Program. This only applies to THP facilities as the VA-IHS agreement covers care of only eligible AI/AN Veterans.

If the THP or IHS facility is not able to provide specialized care and the Veteran is referred out, does VA pay?

VA agreements with IHS and THP will not cover referrals or contract care acquired by IHS or THP facilities that are provided in non-VA facilities outside the IHS or THP facility, respectively. However, the IHS/THP can work with their local VAMC to request that VA coordinate the care needed. This would occur just as it does for eligible Veterans under VA's existing Non-VA Care Program.

How will claims be processed for reimbursement?

Claims processing and payment will be submitted to the associated VAMC or a central processing location.

Will electronic and paper claims be accepted?

VA accepts and encourages electronic health care claims that satisfy criteria established in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) standards for electronic transactions. However, VA will continue to accept paper claims from facilities that do not have electronic claims processing capability. According to the VA-IHS agreement terms, a \$15 administrative fee will be applied to paper claims submitted to VA for outpatient services under the agreement.

What are some of the reasons that VA might deny a claim under these agreements?

Some reasons include:

- The Veteran is not an eligible Veteran as defined in the agreements; or
- Care provided is not a direct care service; or
- Care provided is not otherwise reimbursable under the terms of these agreements; or
- Claim was not submitted as required in these agreements; or
- The information required to adjudicate the claim, consistent with the information contained on the electronic billing forms, is not provided.

If VA denies reimbursement for a claim, VA will notify IHS or the THP of the denial in writing, together with a statement of the reason for the denial.

How do I find additional program information?

VA Office of Tribal Government Relations Website contains program information: <http://www.va.gov/tribalgovernment/>.