

December 7, 2005

## COST-BASED AND INTER-AGENCY BILLING RATES

**1. PURPOSE:** This Veterans Health Administration (VHA) Directive provides cost-based and inter-agency billing rates for medical care and services provided on and after November 3, 2005. *NOTE: The rates contained in this directive do not apply to sharing agreements between the Department of Veterans Affairs (VA) and Department of Defense (DOD) unless otherwise stated.*

### 2. BACKGROUND

a. The Office of Management and Budget (OMB) and VA have approved and published in the Federal Register cost-based and inter-agency billing rates for medical care and services provided on and after November 3, 2005 (see Att. A).

b. The charges for applicable care, treatment, and services provided in VA facilities in humanitarian emergencies and/or to family members, ineligible persons, or allied beneficiaries are the cost-based billing rates published in Attachment A.

c. The charges for applicable care, treatment, and services provided in VA facilities for VA employees injured on the job and being treated and receiving workers compensation care at the VA facility are to be the inter-agency billing rates published in Attachment A. The claim must be forwarded to the Department of Labor, Office of Workers' Compensation Programs (OWCP).

d. When VA medical care or service is furnished to a beneficiary of another Federal agency, and that care or service is covered by an applicable national or local sharing agreement, then billing for such care or service is according to the terms of the sharing agreement. When such medical care or service is not covered by an applicable national or local sharing agreement, then the inter-agency billing rates published in Attachment A must be used.

e. The charges for applicable care, treatment, and services furnished in humanitarian emergencies and/or to VA employees, family members, ineligible persons, or allied beneficiaries at the expense of the United States in facilities not operated by the United States will be the amounts expended by VA for such care, treatment, and services.

f. When medical care or services for beneficiaries of other Federal agencies are obtained by VA from non-VA sources, charges to the other Federal agencies must be the actual amounts paid by VA for such care or services.

g. The inter-agency billing rates published in Attachment A must be used for inpatient services provided under VA-DOD Memorandum of Agreements (MOA) regarding referral of active duty military personnel who sustain spinal cord injury, traumatic brain injury, or blindness to VA medical facilities for health care and rehabilitation services.

h. The inter-agency billing rates are not to be used for locally-developed VA-DOD sharing agreements. Rates for local VA-DOD sharing agreements are to be developed based on guidance issued by the VA-DOD Financial Management Work Group and in accordance with VHA Handbook 1660.4, VA-DOD Health Care Resource Sharing.

**THIS VHA DIRECTIVE EXPIRES DECEMBER 31, 2010**

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i. Prosthetics costs assigned to non-VA outpatient care, Cost Distribution Report (CDR) 4000 series accounts, were not included in the calculation of these billing rates; therefore, when these billing rates are used, separate, additional billing of such costs for non-service connected conditions need to be made. Specific examples of the latter are Home Oxygen and Identification (ID) Card Prosthetic Repair and Replacements.

**3. POLICY:** It is VHA policy that the revised cost-based and inter-agency billing rates, which became effective November 3, 2005, must be used in VHA facility billing, except as otherwise noted. (see Att. A).

**4. ACTION:** The Medical Center Director, or designee, is responsible for ensuring that:

a. Effective immediately, for medical care or services provided by VA on and after November 3, 2005, in humanitarian emergencies and/or to family members, ineligible persons, or allied beneficiaries, billings are prepared using the cost-based rates published in Attachment A. In addition, corrected billings and/or refunds for services rendered on or after November 3, 2005, but billed using previous billing rates, are made.

b. Effective immediately, for medical care or services provided by VA on and after November 3, 2005, for VA employees injured on the job and being treated and receiving workers compensation care at the VA facility, billings are prepared using inter-agency billing rates published in Attachment A. The claim must be forwarded to OWCP. In addition, corrected billings and/or refunds for services rendered on or after November 3, 2005, but billed using previous billing rates, are made.

c. Effective immediately, for medical care or services provided by VA on and after November 3, 2005 to a beneficiary of another Federal agency, and such medical care or service is not covered by an applicable national or local sharing agreement, billings using the inter-agency rates published in Attachment A are prepared. The corrected billings and/or refunds for services rendered on or after November 3, 2005, but billed using previous billing rates, are made.

## **5. REFERENCES**

- a. Federal Register, November 3, 2005.
- b. Title 38 CFR 17.102.
- c. Cost Distribution Report (CDR), September 30, 2004.

**6. FOLLOW-UP RESPONSIBILITY:** The VHA Chief Business Office (16) is responsible for the contents of this Directive. Questions should be directed to 202-254-0362.

**7. RECISSIONS:** VHA Directive 2004-007 is rescinded. This VHA Directive expires December 31, 2010.

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Under Secretary for Health

Attachment

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ATTACHMENT A

**REVISED COST-BASED AND INTER-AGENCY BILLING RATES  
EFFECTIVE NOVEMBER 3, 2005**

Revised cost-based and inter-agency billing rates, effective November 3, 2005, are as follows:

		<u>Cost- Based</u>	<u>Inter- agency</u>
(1) VA Hospital Care, rates per inpatient day:			
General Medicine:	All Inclusive Rate	\$2,037	\$1,914
	Physician	244	
	Ancillary	531	
	Nursing, Room, and Board	1,262	
Neurology:	All Inclusive Rate	\$2,633	\$2,465
	Physician	385	
	Ancillary	695	
	Nursing, Room, and Board	1,553	
Rehabilitation Medicine:	All Inclusive Rate	\$1,670	\$1,564
	Physician	190	
	Ancillary	510	
	Nursing, Room, and Board	970	
Blind Rehabilitation:	All Inclusive Rate	\$1,178	\$1,112
	Physician	95	
	Ancillary	585	
	Nursing, Room, and Board	498	
Spinal Cord Injury:	All Inclusive Rate	\$1,383	\$1,292
	Physician	171	
	Ancillary	348	
	Nursing, Room, and Board	864	
Surgery:	All Inclusive Rate	\$4,117	\$3,894
	Physician	454	
	Ancillary	1,249	
	Nursing, Room, and Board	2,414	
General Psychiatry:	All Inclusive Rate	\$1,211	\$1,132
	Physician	114	
	Ancillary	191	
	Nursing, Room, and Board	906	
Substance Abuse (Alcohol and Drug Treatment):	All Inclusive Rate	\$1,952	\$1,832
	Physician	186	
	Ancillary	452	
	Nursing, Room, and Board	1,314	

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Psychosocial Residential Rehabilitation Treatment Programs:			
	All Inclusive Rate	\$293	\$273
	Physician	18	
	Ancillary	31	
	Nursing, Room, and Board	244	
Intermediate Medicine:			
	All Inclusive Rate	\$1,324	\$1,241
	Physician	65	
	Ancillary	194	
	Nursing, Room, and Board	\$1,065	

(2) VA Nursing Home Care, rates per day:

Nursing Home Care:			
	All Inclusive Rate	\$504	\$470
	Physician	16	
	Ancillary	68	
	Nursing, Room, and Board	420	

(3) VA Outpatient Care, rates per visit or per prescription filled:

Outpatient Visit, including non-emergency dental	\$298	\$284
Emergency Dental Outpatient Visit and/or Treatment	\$202	\$188
Prescription Filled	\$51	\$51

**NOTE:** When billing cost-based or inter-agency per diem charges under this Directive, do not bill separate charges for both outpatient care and prescriptions which occur on the same day. Only bill one rate for the applicable service as the interagency and cost-based rates for outpatient care are inclusive of both outpatient and prescription services. However, when billing a third party insurer or worker's compensation administrator for prescriptions under this Directive, the prescription fill rate in addition to the applicable itemized charges for care received on the same day, must be billed.