

February 26, 2009

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 are not billable to third-party payers (TPPs) under the Medical Care Collections Fund (MCCF) Revenue Program.

2. BACKGROUND

a. The VHA Revenue Program contributes directly to the President's Budget by providing funds for direct medical care through billing and collecting from TPPs for non-service connected care. The Reasons Not Billable Report was originally developed to document why VHA was not able to bill TPPs for medical care and related services such as:

(1) Service-related care, such as: Service-Connected Disabilities, Ionizing Radiation, Combat Veteran;

(2) Non-service related issues, such as: no medical necessity, duplicate encounters, or non-billable appointment(s), provider(s), or clinic(s);

(3) The patient is not insured, or specific services rendered are not covered due to limitations of the patient's insurance policy(ies); and

(4) Non-billing issues, such as: documentation, coding, credentialing, and other billing issues.

3. POLICY: It is VHA policy that all facility Revenue and Health Information Management (HIM) activities implement standard operating procedures to monitor the use of case comments (HIM) and reasons not billable (Revenue) to identify and document opportunities for improvement, ensuring that all encounters are properly reviewed and verified as not billable in accordance with official operational guidance. *NOTE: The Reasons Not Billable Fact Sheet, dated December 12, 2008, provides guidance on use and monitoring of Reasons Not Billable. It is available on the Chief Business Office (CBO) web site at <http://vaww1.va.gov/cbo/rcbilling/factsheet/revrnbfbs.pdf> (for internal use only).*

4. ACTION

a. **Chief Business Officer (16)**. The Chief Business Officer is responsible for:

(1) Providing oversight and guidance to the field on the use of Reasons Not Billable in the Veterans Health Information and Technology Architecture (VistA) system;

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(2) Requesting a data extract of the Reasons Not Billable Summary Report by facility at the end of each Fiscal Year from each Veterans Integrated Service network (VISN), and providing a copy of the Reasons Not Billable summary data to HIM (19); and

(3) Performing an analysis of the Reasons Not Billable Summary Reports submitted by each VISN and providing an annual report to management, VISN Directors, and the VHA Compliance Advisory Board.

b. **Office of Compliance and Business Integrity (10B3)**. The Chief Officer, Compliance and Business Integrity (CBI) is responsible for the oversight of the Reasons Not Billable Summary Report, providing guidance to VISN and field Compliance Officers related to it's monitoring and use.

c. **Chief, HIM (19)**. The Chief, HIM is responsible for:

(1) Providing guidance and oversight to HIMs staff in the field on the appropriate use of case comments in the encoder product suite.

(2) Performing an analysis of the Reasons Not Billable Summary Report to the Case Comment Summary Report as provided by each VISN. Providing input to the Chief Business Office for the annual report to management, VISN Directors, and the VHA Compliance Advisory Board.

d. **VISN Director**. Each VISN Director is responsible for:

(1) Ensuring that the results of the Reasons Not Billable Summary Report are compiled at the end of each fiscal year for each facility within the VISN and forwarded to the Chief Business Office (16) point of contact (POC) designated on the annual data call reminder.

(2) Ensuring that the results of the Encoder Case Comments Report is compiled at the end of each fiscal year for each facility within the VISN and forwarded to the HIM (19) POC designated on the annual data call reminder.

e. **Facility Director**. Each facility Director, or designee, is responsible for:

(1) Ensuring that the Facility Revenue Coordinator, Business Officer or designee, Chief HIM or designee, Credentialing and Privileging Office or designee, Compliance and Business Integrity Officer (CBIO) or designee, and others as necessary, are actively involved in the review process for the Reasons Not Billable Summary Report on a monthly basis and take corrective actions as necessary;

(2) Establishing and maintaining an environment of appropriate internal controls sufficient to ensure the effectiveness and efficiency of facility's Encoder Case Comments and Reasons Not Billable standard operating procedures and the reliability of the related financial and administrative reports and data extracts;

(3) Reviewing and approving Reasons Not Billable and Encoder Case Comments analyses and corrective actions taken via approval of facility CBI Committee minutes; and

(4) Ensuring that the facility's Encoder Case Comments and Reasons Not Billable data extracts are forwarded to the VISN POC designated on the annual data call reminder.

f. **Consolidated Patient Accounts Center (CPAC) Director, Facility Revenue Coordinator or Business Officer.** Each CPAC Director, Facility Revenue Coordinator, Business Officer or designee is responsible for:

(1) Running the Reasons Not Billable Summary Report on a monthly basis for each facility, or each facility within the CPAC, and downloading the information into an Excel spreadsheet;

(2) Forwarding portions of the report to the facility level CBI Officer, Chief HIM, Credentialing, Utilization Review (UR) nurses, and other facility level services as needed for their review and follow-up corrective action plan development;

(3) Ensuring the review and analysis of those Reasons Not Billable related to revenue activities is accomplished on a monthly basis at the facility level;

(4) Coordinating with other areas at the facility level to obtain their input regarding review of the Reasons Not Billable Report and including that input in the monthly report to the facility CBI Officer;

(5) Ensuring that after analysis of data and any issues that arise, corrective actions are taken, as necessary, to include: revised standard operating procedures, education, and monitoring of outcomes; and ensuring these actions are sent to the facility Compliance Committee for reporting to Senior Leadership;

(6) Ensuring that all facility level corrective actions are sent from the facility Compliance Committee to the VISN Compliance Committee for review, approval, and follow up, as necessary. This includes, but is not be limited to: follow-up with training, education, or any other action as needed at the facility or CPAC level to ensure that all care is billed as appropriate; and

(7) Sending the facility Reasons Not Billable Summary report for the Fiscal Year to the POC designated on the data call reminder.

g. **Chief, HIM.** Each facility's Chief HIM, or designee, is responsible for:

(1) Running an Encoder Case Comments report, after receipt of the Reasons Not Billable report from Revenue, using the same criteria of the Reasons Not Billable Report; *NOTE: HIM Coding staff utilize the Case Comment function within the Encoder for information sharing and reporting.*

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

(3) When necessary, providing education to providers and coders so that appropriate improvements can be made to operations;

(4) Ensuring that after analysis of data, document any issues that arise are documented and corrective actions taken, as necessary to include: revised standard operating procedures, education and the monitoring of outcomes; and ensuring these corrective actions are sent to the facility Compliance Committee for reporting to Senior Leadership; and

(5) Sending the facility Encoder Case Comments report for the Fiscal Year to the VISN POC designated on the data call reminder.

h. **Credentialing and Privileging Officer.** Each facility's Credentialing and Privileging Officer, or designee, is responsible for ensuring that the Reasons Not Billable Report provided by the Revenue organization is reviewed, corrective action taken as appropriate, and reported back to Revenue on a monthly basis.

i. **CBI Officer.** Each facility's CBI Officer is responsible for:

(1) Receiving the Reasons Not Billable Report with explanations or actions from Revenue on a monthly basis and reviewing the report with the facility Compliance Committee, documenting the analyses and corrective actions in Compliance Committee minutes and, using the CBI Committee, making recommendations to facility leadership;

(2) Receiving the Encoder Case Comments Report with explanations or actions from HIM staff on a monthly basis, reviewing the report with the facility Compliance Committee, documenting the analyses and corrective actions in Compliance Committee minutes and, using the CBI Committee, making recommendations to facility leadership; and

(3) Documenting receipt of Reasons Not Billable and Encoder Case Comments Reports by making an entry into the Compliance Inquiry Reporting and Tracking System (CIRTS) within 5 days of receipt. The CIRTS entry must include attached copies of each report.

5. REFERENCES: General Accountability Office (GAO)-08-675, VA HEALTH CARE: Ineffective Controls over Medical Center Billings and Collections Limit Revenue from Third-Party Insurance Companies, dated July 2008

6. FOLLOW-UP RESPONSIBILITY: The Chief Business Office (16) has the lead responsibility for the contents of this Directive. Questions concerning this Directive should be referred to (202) 461-1599.

7. RESCISSIONS: None. This VHA Directive expires February 28, 2014.

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