COST-BASED AND INTER-AGENCY RATES

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides Cost-based and Inter-agency billing rates for medical care and services provided on or after July 11, 2011. **NOTE:** The rates contained in this Directive do not apply to sharing agreements between the Department of Veterans Affairs (VA) and the Department of Defense (DOD), unless otherwise stated or as noted in paragraph 2 or paragraph 4.

2. BACKGROUND

- a. The Office of Management and Budget (OMB) and VA have approved and published in the <u>Federal Register</u> (76 <u>FR</u> 40749) the Cost-based and Inter-agency billing rates for medical care and services provided on or after July 11, 2011 (see Att. A).
- b. The charges for applicable care, treatment, and services provided in VA facilities in medical emergencies, furnished in error or on a tentative eligibility, or to allied beneficiaries are the Cost-based billing rates as set forth in Title 38 Code of Federal Regulations (CFR) § 17.102 and 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 is 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, to include DOD, 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 are used.
- e. The charges for applicable care, treatment, and services furnished in medical emergencies, in error or on a tentative eligibility, or to allied beneficiaries at the expense of the United States government in facilities <u>not</u> operated by the United States government are the actual amounts paid 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 other Federal agencies are the actual amounts paid by VA for such care or services.

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- g. The Inter-agency billing rates published in Attachment A are used for inpatient and outpatient services provided under VA-DOD Memoranda of Agreement (MOA) regarding referral of active duty military personnel that 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 1660.04, VA-DOD Direct Sharing Agreements.
- i. Prosthetics costs assigned to non-VA outpatient care 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 are "Home Oxygen," "Identification (ID) Card," and "Prosthetic Repair and Replacements."
- **3. POLICY:** It is VHA policy that the revised Cost-based and Inter-agency billing rates, which became effective July 11, 2011, must be used in VHA facility billing, except as otherwise noted in Attachment A.
- **4. ACTION:** Effective immediately, each medical facility Director, or designee, is responsible for ensuring that for medical care and services provided by VA, on or after July 11, 2011:
- a. In medical emergencies, in error or on a tentative eligibility, or to allied beneficiaries, billings are prepared using the Cost-based rates published in Attachment A. In addition, corrected billings and/or refunds are to be issued for services rendered on or after July 11, 2011, that were billed using previous billing rates.
- b. 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 are to be issued for services rendered on or after July 11, 2011, that were billed using previous billing rates.
- c. 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 are prepared using the Inter-agency rates published in Attachment A. In addition, corrected billings and/or refunds are issued for services rendered on or after July 11, 2011, that were billed using previous billing rates.

5. REFERENCES

- a. Federal Register, 76 40749, July 11, 2011.
- b. Title 38 CFR 17.102.

- c. Monthly Program Cost Report (MPCR), September 30, 2009.
- **6. FOLLOW-UP RESPONSIBILITY:** The VHA Chief Business Office (10NB) is responsible for the contents of this Directive. Questions should be directed to 202-461-1595.
- **7. RECISSIONS:** VHA Directive 2005-058 is rescinded. This VHA Directive expires April 30, 2017.

Robert A. Petzel, M.D. Under Secretary for Health

Attachment

DISTRIBUTION: E-mailed to the VHA Publication Distribution List 4/19/2012

ATTACHMENT A

REVISED COST-BASED AND INTER-AGENCY BILLING RATES EFFECTIVE JULY 11, 2011

The revised Cost-based and Inter-agency billing rates, effective July 11, 2011, are as follows:

(4) D	A 00 1 / / / / / / / / / / / / / / / / /	Cost-Based	Inter-Agency
(1) Department of Veterans rates per inpatient day	s Affairs (VA) Hospital Care,		
General Medicine:	All Inclusive Rate	\$2,384	\$2,232
	Physician	285	
	Ancillary	621	
	Nursing, Room and Board	1,478	
Neurology:	All Inclusive Rate	\$3,899	\$3,648
	Physician	571	
	Ancillary	1029	
	Nursing, Room and Board	2299	
Rehabilitation Medicine:	All Inclusive Rate	\$2,122	\$1,992
	Physician	241	
	Ancillary	648	
	Nursing, Room and Board	1233	
Blind Rehabilitation:	All Inclusive Rate	\$1,240	\$1,161
	Physician	100	
	Ancillary	616	
	Nursing, Room and Board	524	
Spinal Cord Injury:	All Inclusive Rate	\$1,756	\$1,644
	Physician	218	
	Ancillary	442	
	Nursing, Room and Board	1,096	
Surgery:	All Inclusive Rate	\$4,533	\$4,248
	Physician	500	
	Ancillary	1,375	
	Nursing, Room and Board	2,658	

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General Psychiatry:	All Inclusive Rate Physician Ancillary	\$801 76 126	\$749
	Nursing, Room and Board	599	
Substance Abuse:	All Inclusive Rate	\$1,154	\$1,081
	Physician	110	. ,
	Ancillary	267	
	Nursing, Room and Board	777	
PRRTP Programs:	All Inclusive Rate	\$577	\$540
	Physician	36	
	Ancillary	61	
	Nursing, Room and Board	480	
Polytrauma Inpatient:	All Inclusive Rate	\$3,391	\$3,197
	Physician	385	
	Ancillary	1,036	
	Nursing, Room and Board	1,970	
Intermediate Medicine:	All Inclusive Rate	\$1,920	\$1,796
	Physician	94	
	Ancillary	282	
	Nursing, Room and Board	1,544	
(2) VA Nursing Home Care	e, rates per day:		
Nursing Home:	All Inclusive Rate	\$993	\$929
	Physician	31	
	Ancillary	134	
	Nursing, Room and Board	828	
(3) VA Outpatient Care, ra	ates per visit:		
Outpatient Visit, including non-emergency dental		\$231	\$214
Outpatient Visit, Polytrauma and/or Traumatic Brain Injury		\$573	\$535
Outpatient Visit, Physical Medicine and Rehabilitation Service (PM&RS)		\$430	\$401

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Emergency Dental Outpatient Visit and/or Treatment

\$487

\$416