

March 10, 2004

TORTIOUSLY LIABLE, COST-BASED, AND INTER-AGENCY BILLING RATES

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides tortiously liable, cost-based, and inter-agency billing rates for medical care and services provided or furnished on and after January 7, 2004. *NOTE: This Directive replaces VHA Directives 99-050 and 99-051.*

2. BACKGROUND

a. The Office of Management and Budget (OMB) has approved and published in the Federal Register the tortiously liable, cost-based, and inter-agency billing rates for medical care and services provided or furnished on and after January 7, 2004 (see Att. A).

b. The charges to tortiously liable third-parties are for recovery of the reasonable value of hospital, medical, surgical, outpatient, and dental care and treatment (including prostheses and medical appliances) provided or furnished by the Department of Veterans Affairs (VA). This includes reasonable charges for applicable care, treatment, and services provided in VA facilities and applicable care, treatment, and services furnished at the expense of the United States in facilities not operated by the United States. The "reasonable charges" are generated by the methodology published in Title 38 Code of Federal Regulations (CFR) 17.101 and published from time to time in the Federal Register and/or posted on the Internet site of the VHA Chief Business Office (16), currently at <http://www.va.gov/cbo>, under "Charge Data."

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

d. 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.

e. 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.

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 are not to be used for locally-developed VA-Department of Defense (DOD) sharing agreements. Rates for local VA-DOD sharing agreements are to be developed based on local costs.

h. The primary source of data for calculating the cost-based and inter-agency billing rates (see Att. A) is the VA Medical Care Appropriation Cost Distribution Report (CDR). All

THIS VHA DIRECTIVE EXPIRES MARCH 31, 2009

VHA DIRECTIVE 2004-007

March 10, 2004

prosthetics costs assigned to VA inpatient and outpatient care, CDR 1000 and 2000 series accounts, were included in the calculation of these billing rates; therefore, when these billing rates are used, separate, additional billing for such costs are not to be made.

i. Prosthetics costs assigned to non-VA outpatient care, 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 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 January 7, 2004, must be used in VHA facility billing (see Att. A), as appropriate.

4. ACTION: Each medical facility Director is responsible for ensuring that:

a. Effective immediately, for medical care or services provided or furnished by VA on and after January 7, 2004, billings for tort feisor cases using VA's Reasonable Charges must be prepared. In addition, corrected billings and/or refunds for services rendered on or after January 7, 2004, but billed using previous billing rates, are made.

b. Effective immediately, for medical care or services provided by VA on and after January 7, 2004, in humanitarian emergencies and/or to VA employees, family members, ineligible persons, or allied beneficiaries, billings must be prepared using the cost-based rates published in Attachment A. In addition, corrected billings and/or refunds for services rendered on or after January 7, 2004, but billed using previous billing rates, must be made.

c. Effective immediately, for medical care or services provided by VA on and after January 7, 2004, 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 must be prepared. In addition, corrected billings and/or refunds for services rendered on or after January 7, 2004, but billed using previous billing rates, must be made.

5. REFERENCES

- a. Federal Register, January 07, 2004.
- b. Title 38 CFR 17.101.
- c. Title 38 CFR 17.102.
- d. Cost Distribution Report (CDR) Handbook, April 1996.

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

7. RESCISSIONS: VHA Directives 99-050 and 99-051 are rescinded. This VHA Directive will expire March 31, 2009.

S/ Nevin M . Weaver for
Robert H. Roswell, M.D.
Under Secretary for Health

Attachment

DISTRIBUTION: CO: E-mailed 3/12/04
FLD: VISN, MA, DO, OC, OCRO, and 200 – E-mailed 3/12/04

ATTACHMENT A

REVISED COST-BASED AND INTER-AGENCY BILLING RATES,
EFFECTIVE JANUARY 7, 2004

Revised cost-based and inter-agency billing rates, effective January 7, 2004, are as follows:

1. Department of Veterans Affairs (VA) Hospital Care, rates per inpatient day.

		<u>Cost- Based</u>	<u>Inter-agency</u>
a. <u>General Medicine:</u>	All Inclusive Rate	\$1,815	\$1,668
	Physician	217	
	Ancillary	473	
	Nursing, Room, and Board	1,125	
b. <u>Neurology:</u>	All Inclusive Rate	\$2,289	\$2,098
	Physician	335	
	Ancillary	604	
	Nursing, Room, and Board	1,350	
c. <u>Rehabilitation Medicine:</u>	All Inclusive Rate	\$1,723	\$1,574
	Physician	196	
	Ancillary	526	
	Nursing, Room, and Board	1,001	
d. <u>Blind Rehabilitation:</u>	All Inclusive Rate	\$1,254	\$1,162
	Physician	101	
	Ancillary	623	
	Nursing, Room, and Board	530	
e. <u>Spinal Cord Injury:</u>	All Inclusive Rate	\$1,237	\$1,136
	Physician	153	
	Ancillary	311	
	Nursing, Room, and Board	773	
f. <u>Surgery:</u>	All Inclusive Rate	\$3,513	\$3,255
	Physician	387	
	Ancillary	1,065	
	Nursing, Room, and Board	2,061	
g. <u>General Psychiatry:</u>	All Inclusive Rate	\$971	\$888
	Physician	92	
	Ancillary	153	
	Nursing, Room, and Board	726	
h. <u>Substance Abuse (Alcohol and Drug Treatment):</u>	All Inclusive Rate	\$1,206	\$1,106
	Physician	115	
	Ancillary	279	
	Nursing, Room, and Board	812	

VHA DIRECTIVE 2004-007

March 10, 2004

		<u>Cost- Based</u>	<u>Inter-agency</u>
i. <u>Psychosocial Residential Rehabilitation Treatment Programs:</u>	All Inclusive Rate	\$276	\$252
	Physician	17	
	Ancillary	29	
	Nursing, Room, and Board	230	
j. <u>Intermediate Medicine:</u>	All Inclusive Rate	\$801	\$733
	Physician	39	
	Ancillary	118	
	Nursing, Room, and Board	644	

2. VA Nursing Home Care, rates per day.

		<u>Cost- Based</u>	<u>Inter-agency</u>
<u>Nursing Home Care:</u>	All Inclusive Rate	\$451	\$411
	Physician	14	
	Ancillary	61	
	Nursing, Room, and Board	376	

3. VA Outpatient Care, rates per visit, or per prescription filled.

		<u>Cost- Based</u>	<u>Inter-agency</u>
a. <u>Outpatient Visit, including Non-emergency Dental</u>		\$300	\$282
b. <u>Emergency Dental Outpatient Visit and/or Treatment</u>		\$185	\$167
c. <u>Prescription Filled</u> (use this rate for prescriptions filled with no outpatient visit and prescriptions filled with non-billable visits)		\$45	\$45