

April 24, 2001

HEALTH SERVICES IMPROVEMENT FUND (36_5358)

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides policy and procedures for the Health Services Improvement Fund.

2. BACKGROUND: Public Law (Pub. L.) 106-117, the Veterans Millennium Health Care and Benefits Act, established the Department of Veterans Affairs (VA) Health Services Improvement Fund (see Title 38 United States Code (U.S.C.) 1729B). This Act authorizes the establishment of a new, no-year revolving fund, whose revenue would come from co-payments in excess of the current \$2 prescription co-payment, revenue from enhanced-use lease agreements and co-payments for TRICARE services. The fund may pay for expenses as defined in the Medical Care appropriation language and expenses incurred in the identification, billing, auditing and collecting of amounts owed VA by reason of furnishing medical care services (see 38 U. S. C. 1729A(c)(1)(A) and (B)). Public Law 106-377, the Departments of Veterans Affairs and Housing and Urban Development, and Independent agencies Appropriations Bill for Fiscal Year 2001, requires appropriation language to make the funds available for obligation or expenditure.

3. POLICY: The Health Services Improvement Fund has been established with the Department of the Treasury under account number 36_5358 effective November 30, 1999. Since the account has three sources of revenue, a separate deposit account has been established for each revenue source. The three sources of revenue are:

a. The pharmacy co-payment in excess of the current \$2 co-payment will be deposited to 36_5358.10 (see 38 U. S. C. 1722A(b)).

b. The co-payment for the Department of Defense TRICARE will be deposited to 36_5358.40 (see Pub. L. 106-117, Section 113).

NOTE: No deposits will be made to the two accounts indicated above until publication of regulations for the respective activities.

c. Net revenue for Enhanced-Use leases will be deposited to 36_5358.30 (see 38 U.S.C. 8165(a) and VA Directive 7415.1 dated March 24, 2000). **NOTE:** *These deposits can be used as cited in paragraph 4 of this directive.*

4. ACTION: The funds will be made available to the facility on a monthly basis. The monthly allocation will be in arrears; that is, the monthly allocation will represent the previous month's collections. Obligations will be recorded against 36_5358 only. All activities, as defined in the Medical Care appropriation language, except for employee travel, are valid in this account. Medical care cost centers are valid in this account.

5. REFERENCES: Public Law 106-117, Section 202.

THIS VHA DIRECTIVE EXPIRES APRIL 30, 2006

VHA DIRECTIVE 2001-026

April 24, 2001

6. FOLLOW-UP RESPONSIBILITY: The VHA Chief Financial Officer is responsible for the contents of this directive.

7. RESCISSIONS: VHA Directive 2000-023 is rescinded. This VHA Directive expires April 30, 2006.

S/ by Dennis H. Smith for
Thomas L. Garthwaite, M.D.
Under Secretary for Health

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