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## CHAPTER 5. HOUSE STAFF DISBURSEMENT AGREEMENTS

### 5.01 PURPOSE

This chapter contains policies established by the Chief Medical Director for considering VA medical center requests for house staff disbursement agreements, and procedures for those facilities with approved agreements .

### 5.02 AUTHORITY

Authority for house staff disbursement agreements with hospitals, medical schools, or medical institutions participating with the VA in the training of residents is contained in 38 U.S.C. 4114(b)(3).

**NOTE:** *The cited authority refers to "contracts"; however, disbursement agreements have been approved for use in the central administration of house staff stipends and/or fringe benefits on behalf of the VA.*

### 5.03 POLICY

a. The primary purpose of house staff agreements is to more adequately achieve stability and equity in payment of stipends and provision of fringe benefits.

b. The Chief Medical Director retains authority for approving or disapproving requests from VA medical centers for agreements.

c. Requests for agreements will be approved on an exception-only basis when the traditional methods for house staff appointments and pay are inadequate due to unique circumstances.

d. Agreements may cover stipends and fringe benefits (full agreement) or fringe benefits only (fringe benefits agreement).

#### (1) Full Agreement

(a) Stipend inequities due to tax differentials, i.e., house staff in the VA are subject to FICA deductions but when house staff serving in non-Federal affiliated facilities are not, will constitute justification for a full disbursement agreement.

(b) Other compelling issues of compatibility within house staff programs that have serious implications for the conduct of graduate education in VA medical centers will also be considered.

#### (2) Fringe Benefit Agreement

Significant differences between fringe benefits provided or providable by the VA and the affiliate may be justification for an agreement.

e. Agreements will only be authorized when all of the participating hospitals in an affiliation have equivalent stipend and fringe benefit policies and when all residents assigned to the VA are covered by the agreement (unless an exception is justified and approved by the CMD).

f. Agreements may not include administrative costs or surcharges.

g. Agreements will remain in force unless terminated at the request of either party after 90-days' notice in writing.

h. All VA policies contained in administrative manuals and circulars apply equally to VA medical centers with house staff, unless specifically waived or modified by the disbursement agreement.

i. Administration of house staff disbursement agreements is the full responsibility of the VA medical center Director, requiring the same management oversight and controls as other house staff programs.

#### **5.04**

##### **PROCESS FOR VA MEDICAL CENTERS TO REQUEST HOUSE STAFF DISBURSEMENT AGREEMENT**

**NOTE:** *The VA medical center should carefully review paragraph 5.03 to determine if there is a basis for requesting CMD approval for developing a full or fringe benefit agreement. Standard formats have been approved for full agreements (see app. 5A, "Disbursement Agreement for House Staff Stipends and Fringe Benefits") and for fringe benefit agreements (see exhibit 5B, "Disbursement Agreement for House Staff Fringe Benefits"). There are two appendixes to each agreement, one for establishing rates (app. A, pt. I) and the other for handling leave policy (app. A, pt. II); the appendixes are prepared in Central Office as described in subparagraph 5.05f.*

a. A letter is submitted by the VA medical center Director to the ACMD for Academic Affairs (141) specifying (1) the type of agreement requested (full or fringe benefit only), (2) the specific basis for request, (3) the advantages and disadvantages of an agreement for the VA medical center, (4) the advantages and disadvantages for the affiliate, (5) the advantages and disadvantages for house staff assigned to the VA, (6) potential cost savings, if any, and (7) the name and title of a VA medical center official to serve as liaison with Central Office.

b. After review by representatives of the General Counsel, the Office of Personnel and Labor Relations, the Associate Deputy Chief Medical Director, and Academic Affairs, the ACMD for Academic Affairs will recommend approval or disapproval for developing an agreement to the CMD based on the policies specified in paragraph 5.03. The VA medical center will be advised in writing of the CMD decision.

c. Questions about this process should be directed to the Medical/Dental Education Programs Service (141).

#### **5.05**

##### **DOCUMENTATION REQUIRED FROM VA FACILITIES APPROVED FOR A HOUSE STAFF DISBURSEMENT AGREEMENT**

a. Upon CMD approval to develop an agreement, a standard disbursement agreement following the format in appendix 5A or 5B will be prepared by the VA medical center for review with and signature by the affiliate. Any changes to the disbursement agreement language will require full justification and additional Central Office clearances because only the existing formats (app. 5A and 5B) have been approved for use by the VA General Counsel.

b. Three signed copies of the disbursement agreement are to be sent to the ACMD for Academic Affairs (141) along with one copy of the cost documentation described.



c. Complete and accurate cost documentation is essential. Questions about documentation should be directed to the Salary and Wage Administration Service (052B).

d. If the agreement is to cover both stipends and fringe benefits, all of the following subjects must be documented, if applicable. If the agreement is to cover fringe benefits only, cost documentation is required on the following items (4) through (6) as applicable.

(1) **Stipends.** A copy of the collective bargaining agreement with the disbursing agent will serve to document stipends. In the absence of such an agreement, the House Staff Handbook or the disbursing agent's memorandum to house staff concerning pay should be suitable. If neither of these items is available, it will be necessary to submit a sampling of earnings and leave statements or a copy of a partial payroll run which shows the stipend rate at each postgraduate training level

(2) **FICA.** Once it has been established that stipends are subject to FICA contributions at a particular locality, no further documentation is necessary.

(3) **Leave; e.g., Annual, Sick.** The House Staff Handbook or similar publication will usually describe these entitlements and should be adequate for documentation purposes.

(4) **Health Insurance.** Suitable documentation will consist typically of a copy of the carrier's invoice or statement on the carrier's letterhead clearly identifying unit costs to the disbursing agent for each health benefit plan available to house staff. Under ideal circumstances, a separate health benefits policy is applicable to house staff only, and the best cost documentation is the last page of the carrier's monthly billing statement which shows the total number of house staff covered together with the total amount due. These two figures then can be used in determining the average cost per position, which should coincide with the disbursing agent's proposed charge. Additionally, disbursing agents usually advise house staff that enrollment is either noncontributory (free) or contributory (available at shared cost) by describing the plan in the House Staff Handbook or similar publication.

(5) **Life Insurance.** Documentation will consist of the disbursing agent's policy statement to house staff describing entitlements and costs, if any, to the individual covered by the policy. A copy of the carrier's invoice or statement on carrier's letterhead identifying unit costs must also be submitted. At times, a disbursing agent may agree to provide varying benefits for different classes of house staff. For example, dependents of house staff may be entitled to life insurance coverage. Under these circumstances, it would be appropriate to reduce the contract price below the unit cost to the disbursing agent, since that unit cost would apply only to married house staff members. In determining the appropriate reduction, it may be necessary to rely on the disbursing agent's estimate based on a prior year's single-to-married house staff ratio.

(6) **Other Reimbursable Items.** Items not listed above may be included with specific cost documentation. These items will require a separate clearance from the ACMD for Academic Affairs.

e. The following items are not reimbursable under a disbursement agreement:

(1) Administrative surcharge.

- (2) Accreditation site visit charge.
- (3) Accreditation Council for Graduate Medical Education per-resident assessment.  
(NOTE: This charge may be paid from facility recurring medical care funds.)
- (4) National Resident Matching program participation charge.
- (5) Cost of attendance at medical meetings and special educational courses.
- (6) Purchase of educational materials; e.g., books, audiovisual software.
- (7) Tuition or registration fees.

f. After Central Office review and approval, the approved amounts will be used by the Salary and Wage Administration Service (052B) in preparing the appendixes to the agreement (see app. 5A and 5B for sample appendixes). Upon approval of the written agreement by the Chief Medical Director with concurrence of the General Counsel, the appendixes will be returned to the VA medical center with two copies of the fully executed disbursement agreement. The effective date of the agreement will be coordinated by the ACMD for Academic Affairs (141) with the VA medical center Director.

g. Requests to amend the appendixes may be initiated by the VA medical center as needed. To request a rate change, make legible pen and ink changes on your most recent appendix A, part I and submit it in ready for typing format to Salary and Wage Administration Service (052B), together with one copy of complete and accurate cost documentation. Appendixes are maintained in VA Central Office on word processing equipment. Accordingly, appendixes must not be retyped locally since retyping serves no useful purpose and complicates the review and preparation processes.

## **5.06**

### **VA FACILITY RESPONSIBILITIES FOR ADMINISTERING HOUSE STAFF DISBURSEMENT AGREEMENTS**

a. Administration of house staff disbursement agreements is the full responsibility of the VA medical center Director. Central Office units provide policy guidance, technical review, and administrative support through the ACMD for Academic Affairs (141) and the Salary and Wage Administration Service (052B).

b. Experience with the house staff disbursement program has shown it is essential for the VA medical center Director to specifically assign staff responsibilities for carrying out the following management principles.

#### (1) Operational Responsibilities

(a) Prepare documentation required for a house staff disbursement agreement (see par. 5.05).

(b) Oversee and assure VA role in the selection, placement, assignment, orientation, and evaluation of house staff.

(c) Verify pay level and specialty appointment coding of house staff, using VA standards.



(d) Verify number of house staff by specialty in accordance with the residency year allocation from the ACMD for Academic Affairs (141).

(e) Assure adequate appointment documentation.

(f) Confirm VA timecards with rotation schedules.

(g) Confirm presence of all house staff for payment purposes, using the VA medical center timekeeping system.

(h) Verify the accuracy of billings and assure VA payment is made only for services confirmed by VA timekeeping records.

(i) Monitor funding requirements closely in accordance with accepted financial standards.

(j) Certify billings for payment.

(k) Where advance payments are made, reconcile each billing and maintain the VA medical center records necessary to assure correct final payments and adjustments.

(2) Oversight Responsibilities

(a) Represent the Chief Medical Director in assuring all provisions of the agreement are carried out and that VA regulations pertaining to house staff appointments and pay administration are observed by all parties.

(b) Periodically review all aspects of VA medical center disbursement agreement administration for effectiveness/efficiency and to protect against fraud/mismanagement.

(c) Assure that VA medical center staff with assigned responsibilities have copies of the current disbursement agreement and are familiar with the content, purpose, and nature of their assigned responsibilities.

(d) Assure that adequate VA medical center financial and personnel management control systems are in place and functioning properly.

**5.07 REPORTING REQUIREMENTS**

The ACMD for Academic Affairs may require periodic reports on house staff covered by disbursement agreements. The VA medical center Director must assure that detailed records as specified in the disbursement agreement and appendixes are maintained and available for submission to, or review by, the ACMD for Academic Affairs or other Central Office officials. VA medical center Directors should

review the status of the disbursement agreement and the relationships with the academic affiliate on a regular basis, and report in writing any unusual circumstances to the ACMD for Academic Affairs (141).

## DISBURSEMENT AGREEMENT FOR HOUSE STAFF STIPENDS AND FRINGE BENEFITS

The (Name and Location of Institution) and the Department of Veterans Affairs Medical Center, (City and State,) do hereby mutually agree to the following:

### 1. QUALIFICATIONS

Each physician and dentist appointed to the integrated residency (affiliated) program must meet the requirements established by the Department of Veterans Affairs for such appointments.

### 2. RESPONSIBILITIES

During the period of the VA residency training, all house staff members will be subject to VA policies and procedures and the regulations of the medical staff bylaws for the medical center.

### 3. VA DUTY

VA duty is the number of days a VA resident is physically present at the VA medical center and is performing the normal and customary duties of a postgraduate medical or dental trainee in the care and treatment of patients. A day of duty is a 24-hour period during which the house staff member is assigned to and on duty at the VA medical center continuously and performing the normal and customary duties of a medical or dental resident. During this 24-hour period, the house staff member may be physically absent but on call to the medical center, or may be relieved from physical presence for evening, Federal holiday, weekend, or approved leave as agreed upon in appendix A, part II, provided these periods of absence are established for the house staff member in accordance with the schedule of assignments. If a resident has an assignment at the VA medical center and one or more other institutions during a 24-hour period, a pro rata adjustment for reimbursement will be necessary. Shared or reduced-schedule training appointments require the prior written approval of the VA's Veterans Health Services and Research Administration, Office of Academic Affairs.

### 4. CIVIL SUITS

This agreement does not limit or otherwise affect the rights of house staff as provided in 38 U.S.C. 4116.

### 5. TERMINATION

This agreement will remain in force unless terminated at the request of either party after 90-days' notice in writing. To the extent that this agreement is so terminated, the VA will be liable only for the payment provisions of this agreement for services rendered prior to the effective date of termination.

### 6. RATE AND COST CHANGES

In the preparation of appendixes and all proposed amendments, current cost and pricing data will be submitted for the purpose of establishing the correct rates.

As new rates are established, they will be incorporated into the agreement by amendment to appendix A, part I.



Any modification or amendment will be subject to the review and approval of the Chief Medical Director for the Department of Veterans Affairs. Increases or decreases will be retroactive to effective date of such changes when approved by the Chief Medical Director.

## 7. FISCAL PROCEDURES

a. The VA medical center will establish an obligation each month, in advance of the month, based on the schedule of assignment provided by the medical school affiliate and approved by the VA medical center Chief of Staff. This procedure will be followed regardless of whether payments are made in arrears or in advance.

b. The VA medical center will obtain a monthly cost statement or invoice from the medical school affiliate detailing the name of the house staff member, social security number, PG (postgraduate) level, the number of VA duty days completed during the month, the daily charge for each, the total amount being charged for each house staff member, and the total charge. The VA medical center will promptly verify the cost statement or invoice from VA timekeeper records and will otherwise assure the accuracy of the billing.

c. VA timekeeper records will be the sole determinant of whether a day of VA duty was satisfactorily performed by the house staff member. If the cost statement or invoice is not substantiated by VA timekeeper records, the VA records will be controlling and unsubstantiated claims will not be paid.

d. The monthly cost statement or invoice will be paid on a timely basis. This will assist in maintaining more accurate VA medical center records and provide a basis for projecting obligation requirements for future months.

## 8. PAYMENTS

**NOTE:** *The timing of payments to the affiliate will depend upon the method used; payments in arrears or payments in advance. Only one method will be included in any agreement.*

### Method 1. PAYMENT PROVISIONS FOR PAYMENTS IN ARREARS

a. The VA agrees to reimburse the (Name of Institution) on a (Indicate Frequency; i.e., monthly, quarterly, etc.) basis upon receipt of a properly prepared invoice. The invoice must contain the name of the house staff member, Social Security number, PG level, the number of VA duty days completed during the billing period, the daily charge for each, the total amount due for each house staff member, and the total charge. When steps a, b, c, and d under FISCAL PROCEDURES have been completed, the reconciled invoice will be paid.

b. Payments will be based on the number of actual days of VA duty multiplied by the appropriate daily rate stipulated in appendix A, part I. The daily rate is determined by dividing the total annual charge by the number of days of VA duty in the academic year, as modified by the annual leave provisions in appendix A, part II. Unused annual leave will not be reimbursed. For house staff members filling a shared or reduced-schedule training position, reimbursement will be made at a rate equal to 1/4, 3/8, 1/2, etc., the daily rate as appropriate.

c. The annual rates and types of benefits reimbursed are incorporated in appendix A of this agreement.

d. The (Name of Institution) will withhold from the salary checks of all house staff members all required Federal, State, and local income taxes, if any, and any other salary deductions required or authorized by law or regulation. Such withholding services shall include preparation and submission of all required reports, and the forwarding of monies withheld to the appropriate taxing or other collecting agency.

e. The (Name of Institution) will not be reimbursed for any administrative costs relative to the services performed.

## **Method 2. PAYMENT PROVISION FOR PAYMENT IN ADVANCE**

a. The VA will pay 80 percent of the estimated charges for a calendar quarter in advance, between the first and the 10th day of each calendar quarter (July 1-10, October 1-10, January 1-10 and April 1-10), provided (Name of Institution) submits to the VA a summary schedule of duty assignments for VA house staff members on or before the first day of the month preceding the beginning of each calendar quarter (June 1, September 1, December 1 and March 1) which is approved by the VA medical center Chief of Staff. The schedule will show the planned number of days of VA duty for the ensuing calendar quarter and the established total cost. The full value of actual charges incurred during the calendar quarter will be paid after receipt of a properly executed invoice and reconciliation to VA records (see FISCAL PROCEDURES section above), less any amounts paid by the VA in advance for the calendar quarter. The invoice must contain the name of the house staff member, social security number, PG level, the number of VA duty days completed during the billing period, the appropriate daily charge for each, the total amount due for each house staff member, and the total charge. If monies advanced by the VA are more than the actual costs incurred by the VA during the calendar quarter, the difference shall be paid back to the VA within 30 days after receipt of notice of such overadvance.

b. Payments will be based on the number of actual days of VA duty multiplied by the appropriate daily rate stipulated in appendix A, part I. The daily rate is determined by dividing the total annual charge by the number of days of VA duty in the academic year, as modified by the annual leave provisions in appendix A, part II. Unused annual leave will not be reimbursed. For house staff members filling a shared or reduced-schedule training position, reimbursement will be made at a rate equal to 1/4, 3/8, 1/2, etc., the daily rate as appropriate.

c. The annual rates and types of benefits reimbursed are incorporated in appendix A of this agreement.

d. The (Name of Institution) will withhold from the salary checks of all house staff members all required Federal, State, and local income taxes, if any, and any other salary deductions required or authorized by law or regulation. Such withholding services shall include preparation and submission of all required reports, and the forwarding of monies withheld to the appropriate taxing or other collecting agency.

e. The (Name of Institution) will not be reimbursed for any administrative costs relative to the services performed.

9. SCHEDULE OF ASSIGNMENTS

Prior to the commencement of the residency training year, the (Name of Institution) will provide the VA medical center with a schedule of assignments (time) for house staff



appointments for the year. The (Name of Institution) will provide each month in advance a schedule of regular, evening, nighttime, weekend, and holiday assignments for house staff at the VA medical center with substitutions or deviations approved in advance by the Department of Veterans Affairs.

10. **LEAVE**

The leave provisions of each house staff member are established in appendix A of this agreement.

11. **TERM OF AGREEMENT**

**NOTE:** *The Beginning Date shall not be prior to the date when the agreement is accepted by the school and the VA.*

This agreement shall be effective (Beginning Date).

12. **AUTHORITY**

This agreement is entered into under the authority of title 38, United States Code, section 4114(b)(3) added by section 206 of Public Law 93-82.

\_\_\_\_\_  
\_\_\_\_\_  
Responsible Official for School (Date)  
Director (Date)  
(name and title)  
VA Medical Center

\_\_\_\_\_  
Chief Medical Director (Date)







SAMPLE FOR FULL

DISBURSEMENT AGREEMENT

DISBURSEMENT AGREEMENT  
BETWEEN  
VA MEDICAL CENTER



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AND



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APPENDIX A, PART I

EFFECTIVE DATE:



\_\_\_\_\_



DOCUMENT DATE: 11-2-89







PG1  
PG2  
PG3  
PG4  
PG5  
PG6  
PG7









STIPEND

\$17,500.00  
\$19,000.00  
\$20,200.00  
\$21,200.00  
\$22,100.00  
\$22,900.00  
\$23,500.00







HOSPITAL

INSURANCE

1,065.35

1,065.35

1,065.35

1,065.35

1,065.35

1,065.35

1,065.35

DISABILITY

100.50

110.00

115.25

120.15

125.00

130.50

135.25

LIFE

INSURANCE

65.00

70.00

75.00

80.00

85



.00

90.00

95.00







FRINGE

BENEFITS

1,230.85

1,245.35

1,255.60

1,265.50

1,275.35

1,285.85

1,295.60







TOTAL

18,730.85

20,245.35

21,455.60

27,465.50

23,375.35

24,185.85

24,795.60







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DAILY RATE

\$51.32

\$55.47

\$58.78

\$61.55

\$64.04

\$66.26

\$67.93

(1/365)



NOTE 1:



Disbursement for residents at the PG6 and PG7 levels requires prior approval from VA Central Office (141).



**NOTE 2:**



Disbursement for a maximum of 365 days of VA duty is permitted for each position allocated. (If annual leave is not cons



idered VA duty in appendix A, part II, the daily rate is set at 1/365 MINUS the number of days of annual leave per allocated position per academic year.)

DISBURSEMENT AUTHORIZED:

Chief Medical Director





**DISBURSEMENT AGREEMENT  
BETWEEN VA MEDICAL CENTER**

---

**AND**

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**APPENDIX A, PART II**

**LEAVE POLICY**

The term "approved leave," as used in this disbursement agreement, is further defined to include each of the following:

1. **Annual Leave.** Annual leave is earned at the rate of 1.25 days per house staff member per month of VA duty and may be pooled or otherwise aggregated. This leave may be taken by house staff members in multiples of 1 day during the period of assignment to VA as the needs of the hospital and training program allow. Annual leave is charged on the basis of a 5-day week, Monday through Friday. The VA will be reimbursed for each day of annual leave used in excess of that accrued during service at the VA. Financial settlement of annual leave balances will be made in the last quarter of the academic year.

2. **Sick Leave.** Sick leave is earned at the rate of 1.25 days per house staff member per month of VA duty and may be pooled or otherwise aggregated. Sick leave is charged on the basis of a 5-day week, Monday through Friday, in multiples of 1 day. Sick leave does not accumulate from one training year to another. Unused sick leave is nonreimbursable. The VA will maintain records of sick leave usage to ensure that the aggregate accrual of sick leave by house staff during service at the VA, accrued on the basis of 1.25 days per month per resident, is not exceeded by the aggregate use of sick leave by house staff during service at the VA within the academic year. The VA will be reimbursed for each day of sick leave used in excess of that accrued during service at the VA.

3. **Military Leave.** House staff who are members of the United States National Guard or a reserve component of the Armed Forces may be granted military leave, not to exceed 15 calendar days per year, for the performance of active military duty.

4. **Relief From Physical Presence for Examination.** House staff may be relieved from physical presence to undergo examinations for State medical licensure and U.S. specialty boards. The amount of absence authorized will not exceed the time actually required for taking the examination and for travel to and from the place of examination.

*Reimbursement will be made only for those days which fully meet the definition of VA duty.*

## DISBURSEMENT AGREEMENT FOR HOUSE STAFF FRINGE BENEFITS

The (Name and Location of Institution) and the Department of Veterans Affairs Medical Center, (City and State), do hereby mutually agree to the following:

### 1. QUALIFICATION

Each physician and dentist appointed to the integrated residency (affiliated) program must meet the requirements established by the Department of Veterans Affairs for such appointments.

### 2. RESPONSIBILITIES

During the period of VA residency training, all house staff members will be subject to VA policies and procedures and the regulations of the medical staff bylaws for the medical center.

### 3. VA DUTY

VA duty is the number of days a VA resident is physically present at the VA medical center and is performing the normal and customary duties of a postgraduate medical or dental trainee in the care and treatment of patients. A day of duty is a 24-hour period during which the house staff member is assigned to and on duty at the VA medical center continuously and performing the normal and customary duties of a medical or dental resident. During this 24-hour period, the house staff member may be physically absent but on call to the medical center, or may be relieved from physical presence for evening, Federal holiday, weekend, or approved leave as agreed upon in appendix A, part II, provided these periods of absence are established for the house staff member in accordance with the schedule of assignments. If a resident has an assignment at the VA medical center and one or more other institutions during a 24-hour period, a pro rata adjustment for reimbursement will be necessary. In such a case the timecard will reflect the reduced schedule. Shared or reduced-schedule training appointments require the prior written approval of the VA's Veterans Health Services and Research Administration, Office of Academic Affairs.

### 4. CIVIL SUITS

This agreement does not limit or otherwise affect the rights of house staff as provided in 38 U.S.C 4116.

### 5. TERMINATION

This agreement will remain in force unless terminated at the request of either party after 90 days' notice in writing. To the extent that this agreement is so terminated, the VA will be liable only for the payment provisions of this agreement for services rendered prior to the effective date of termination.

### 6. RATE AND COST CHANGES

In the preparation of appendixes and all proposed amendments, current cost and pricing data will be submitted for the purpose of establishing the correct rates.

As new rates are established, they will be incorporated into the agreement by amendment to appendix B, part I.



Any modification or amendment will be subject to the review and approval of the Chief Medical Director for the Department of Veterans Affairs. Increases or decreases will be retroactive to effective date of such changes when approved by the Chief Medical Director.

## 7. FISCAL PROCEDURES

a. The VA medical center will establish an obligation each month, in advance of the month, based on the schedule of assignment provided by the medical school affiliate and approved by the VA medical center Chief of Staff. This procedure will be followed regardless of whether payments are made in arrears or in advance.

b. The VA medical center will obtain a monthly cost statement or invoice from the medical school affiliate detailing the name of the house staff member, social security number, PG (postgraduate) level, the number of VA duty days completed during the month, the daily charge for each, the total amount being charged for each house staff member, and the total charge. The VA medical center will promptly verify the cost statement or invoice from VA timekeeper records and will otherwise assure the accuracy of the billing.

c. VA timekeeper records will be the sole determinant of whether a day of VA duty was satisfactorily performed by the house staff member. If the cost statement or invoice is not substantiated by VA timekeeper records, the records will be controlling, and unsubstantiated claims will not be paid.

d. The monthly cost statement or invoice will be paid on a timely basis. This will assist in maintaining more accurate VA medical center records and provide a basis for projecting obligation requirements for future months.

## 8. PAYMENTS

**NOTE:** *The timing of payments to the affiliate will depend upon the method used, payments in arrears or payments in advance. Only one method will be included in any agreement.*

### Method 1. PAYMENT PROVISIONS FOR PAYMENTS IN ARREARS

a. The VA agrees to reimburse the (Name of Institution) on a (Indicate Frequency; i.e., monthly, quarterly, etc.) basis upon receipt of a properly prepared invoice. The invoice must contain the name of the house staff member, social security number, PG level, the number of VA duty days completed during the billing period, the daily charge for each, the total amount due for each house staff member, and the total charge. When steps a, b, c, and d under FISCAL PROCEDURES have been completed, the reconciled invoice will be paid.

b. Payments will be based on the number of actual days of VA duty multiplied by the appropriate daily rate stipulated in appendix A, part I. The daily rate is determined by dividing the total annual charge by the number of days of VA duty in the academic year, as modified by the annual leave provisions in appendix A, part II. Unused annual leave will not be reimbursed. For house staff members filling a shared or reduced-schedule training position, reimbursement will be made at a rate equal to 1/4, 3/8, 1/2, etc., the daily rate as appropriate.

c. The annual rates and types of benefits reimbursed are incorporated in Appendix A of this agreement.

d. The (Name of Institution) will not be reimbursed for any administrative costs relative to the services performed.

#### **Method 2. PAYMENT PROVISION FOR PAYMENT IN ADVANCE**

a. The VA will pay 80 percent of the estimated charges for a calendar quarter in advance, between the first and the tenth day of each calendar quarter (July 1-10, October 1-10, January 1-10 and April 1-10), provided (Name of Institution) submits to the VA a summary schedule of duty assignments for VA house staff members on or before the first day of the month preceding the beginning of each calendar quarter (June 1, September 1, December 1, and March 1) which is approved by the VA medical center Chief of Staff. The schedule will show the planned number of days of VA duty for the ensuing calendar quarter and the established total cost. The full value of actual charges incurred during the calendar quarter will be paid after receipt of a properly executed invoice and reconciliation to VA records (see FISCAL PROCEDURES section), less any amounts paid by the VA in advance for the calendar quarter. The invoice must contain the name of the house staff member, Social Security number, PG level, the number of VA duty days completed during the billing period, the appropriate daily charge for each, the total amount due for each house staff member, and the total charge. In the event monies advanced by the VA are more than the actual costs incurred by the VA during the calendar quarter, the difference shall be paid back to the VA within 30 days after receipt of notice of such overadvance.

b. Payments will be based on the number of actual days of VA duty multiplied by the appropriate daily rate stipulated in appendix A, part I. The daily rate is determined by dividing the total annual charge by the number of days of VA duty in the academic year, as modified by the annual leave provisions in appendix A, part II. Unused annual leave will not be reimbursed. For house staff members filling a shared or reduced-schedule training position, reimbursement will be made at a rate equal to 1/4, 3/8, 1/2, etc., the daily rate as appropriate.

c. The annual rates and types of benefits reimbursed are incorporated in Appendix A of this agreement.

d. The (Name of Institution) will not be reimbursed for any administrative costs relative to the services performed.

#### **9. LEAVE**

The leave provisions of each house staff member are established in appendix A of this agreement.

#### **10. TERM OF AGREEMENT**

This agreement, when accepted by the (Name of Institution) and the Chief Medical Director for the Department of Veterans Affairs, shall be effective (Beginning Date).

11. **AUTHORITY**

This agreement is entered into under the authority of title 38, United States Code, section 4114(b)(3) added by section 206 of Public Law 93-82.

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Responsible Official for the School (Date)  
Director  
(Date)  
(Name and Title)

VA Medical Center

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Chief Medical Director (Date)



DISBURSEMENT AGREEMENT  
BETWEEN  
VA MEDICAL CENTER



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AND



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APPENDIX A, PART I  
EFFECTIVE DATE:



\_\_\_\_\_



DOCUMENT DATE: 11-2-89

PG1

PG2

PG3

PG4

PG5

PG6

PG7



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HOSPITAL  
INSURANCE  
\$1,065.35  
\$1,065.35  
\$1,065.35  
\$1,



065.35  
\$1,065.35  
\$1,065.35  
\$1,065.35

DISABILITY  
INSURANCE

100.50

110.00

115.25

120.15

125.00

130.50

135.25

LIFE INSURANCE

65.00

70.00

75.00

80.00

85.00

90.00

95.00



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TOTAL

1,230.85

1,245.35

1,255.60

1,265.50

1,275.35

1,285.85

1,295.60



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DAILY RATE  
(1/365)

\$

3.37

\$

3.41

\$

3.44

\$

3.48

\$

3.49

\$

3.52

\$

3.55



**NOTE:**



*Disbursement for a maximum of 365 days of VA duty is permitted for each position allocated.*



DISBURSEMENT AUTHORIZED:

Chief Medical Director



DISBURSEMENT AGREEMENT  
BETWEEN  
VA MEDICAL CENTER \_\_\_\_\_

AND

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APPENDIX A, PART II

LEAVE POLICY

The term "approved leave," as used in this disbursement agreement, is further defined to include each of the following:

1. **Annual Leave.** Annual leave will accrue and may be used in accordance with the VA medical center's matching leave plan for house staff.
2. **Other Absences.** House staff may be granted approved leave during periods of illness, military training, while taking examinations for U.S. specialty boards, and for other reasons stipulated in VA Manual MP-5, part II, chapter 7 and the VHS&RA Supplement to MP-5, part II, chapter 7. The provisions of the aforementioned manual references shall apply to all such absences.