

MONITORING "REASONS NOT BILLABLE"

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Directive establishes authority and policy for management, reporting, and analysis of the reasons that medical care and services provided are not billable to third-party payers (TPP) under the Medical Care Collections Fund (MCCF) Revenue Program.
- 2. SUMMARY OF CHANGES:** This Directive defines the policy for monitoring the use of not-billable codes for services provided by VHA to ensure the unbilled accounts are accurate and appropriate.
- 3. RELATED ISSUES:** VHA Directives 2011-006, 2012-005, and 1030; VHA Handbooks 1030.02, 1030.06, 1601C.02.
- 4. RESPONSIBLE OFFICE:** The VHA Chief Business Office (10NB) is responsible for the contents of this Directive. Questions may be addressed to 202-382-2500.
- 5. RESCISSIONS:** VHA Directive 2010-013 dated March 19, 2010 is rescinded.
- 6. RECERTIFICATION:** This VHA Directive is scheduled for recertification on or before the last working day of December 2018.

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1. PURPOSE: This Veterans Health Administration (VHA) Directive provides policy for management, reporting, and analysis of the reasons that medical care and services provided are not billable to third-party payers (TPP) under the Medical Care Collections Fund (MCCF) Revenue Program. **AUTHORITY:** 38 U.S.C. 1729, 1729A, 1729B, 38 CFR 17.101.

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 including but not limited to: service-connected disabilities, ionizing radiation, combat Veteran, and military sexual trauma;

(2) Non-service-related issues including but not limited to: 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 including but not limited to: documentation, coding, credentialing, and other "non" billing issues.

3. POLICY: It is VHA policy that all Revenue and Health Information Management (HIM) activities implement standard operating procedures to monitor the use of case comments and reasons not billable (RNB) to identify and document opportunities for improvement. This includes ensuring that all encounters are properly reviewed and verified as not billable in accordance with official operational guidance. **NOTE:** *The Consolidated Patient Account Center's (CPAC) Standard Operating Procedure, "Monitoring Reasons Not Billable," can be accessed on the CPAC Web site at: <https://vaww.cpac.portal.va.gov/pmo/QP/Policies/Forms/AllItems.aspx>. This is an internal VA Web site and not available to the public.*

4. RESPONSIBILITIES:

a. **Chief Business Officer (10NB).** The Chief Business Officer (CBO) is responsible for providing oversight and guidance on the use of the RNB options in the Veterans Health Information and Technology Architecture (Vista) system.

b. **Office of Compliance and Business Integrity (10A4A).** The Executive Director, Compliance and Business Integrity (CBI) is responsible for the oversight of the RNB Process, by providing guidance to CBI CPAC Liaisons, Veterans Integrated Service Network (VISN) and field Business Compliance Officers. The national CBI CPAC Compliance Committee will

review and approve RNB Analyses and corrective actions based upon quarterly RNB Metric results.

c. **Director, HIM (10NP7)**. The Director, HIM is responsible for providing guidance and oversight to HIM staff in the field on the appropriate use of case comments in the encoder product suite.

d. **VISN Director**. Each VISN Director or designee is responsible for ensuring that each medical facility Director:

(1) Establishes communication with the regional CPAC Director to ensure RNB Summary Reports are completed accurately; and

(2) Validates that designated facility staff are completing appropriate corrective actions in a timely manner.

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

(1) Ensuring that designated facility staff are actively involved in the review process for the RNB 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 the facility's Encoder Case Comments and RNB standard operating procedures, and the reliability of the related financial and administrative reports and data extracts; and

(3) Reviewing and approving RNB and Encoder Case Comments analyses and corrective actions taken through approval of facility CBI Committee minutes.

f. **CPAC Director**. Each CPAC Director is responsible for:

(1) Ensuring that designated CPAC staff are generating the RNB Summary and Detailed Report on a monthly basis, actively reviewing these reports for RNB billed amounts greater than \$250, forwarding site-specific portions of the report to the appropriate facility and CPAC staff for review development of a corrective action plan, and taking corrective actions as necessary;

(2) Coordinating input from other areas to include: Regional Revenue Managers and Facility Revenue Managers regarding monthly review of the RNB Report to include in the monthly report to the CPAC Compliance Liaison;

(3) Ensuring that all CPAC corrective actions are sent to the CBI CPAC Compliance Committee for review, approval, and follow-up, as necessary; and

(4) Ensuring that the CPAC Billing Manager reviews each Retrospective Coding Tracking spreadsheet received from each HIM Department to verify that each line item reflects the corresponding billing action.

g. **CPAC Facility Revenue Manager or Designee.** Each CPAC Facility Revenue Manager or designee is responsible for:

(1) Generating the RNB Summary and Detailed Report on a monthly basis for each facility within the CPAC, and downloading the information into an Excel spreadsheet;

(2) Forwarding service-specific portions of the report to the appropriate facility services, as needed, for their review and follow-up, including the development of a corrective action plan when appropriate;

(3) Forwarding appropriate RNBs from the report to the CPAC Revenue Utilization Review (RUR) Nurse, Billing Manager, and other CPAC services, as needed, for their review and follow-up, including the development of a corrective action plan when appropriate;

(4) Ensuring the review and analysis of RNB items related to revenue activities is accomplished on a monthly basis;

(5) Coordinating, when necessary, the facility revenue portion of RNB report review with other areas including the HIMs, CPAC RUR, and Billing Manager or designee areas to ensure the RNB reviews are completed and are included in the facility revenue portion of the monthly report to the CBI CPAC Compliance Liaison;

(6) Ensuring that after analysis of data for issues that arise, corrective actions are taken, as necessary, including the revision of standard operating procedures, education, and monitoring of outcomes; and ensuring the CBI CPAC Compliance Liaison is notified of these actions for reporting to appropriate leadership, committees and/or work groups as needed; and

(7) Ensuring the CPAC Billing Manager reviews the Retrospective Coding Tracking Excel spreadsheet received from HIM with coding changes resulting from retrospective audits and notes the billing actions taken.

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

(1) Generating an Encoder Case Comments report utilizing the reporting month's dates.
NOTE: Reports are generated two month's back to allow time for suspended cases to be addressed;

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

(3) Ensuring that providers and coders are properly educated so that appropriate improvements are made to operations;

(4) Ensuring that after analysis of data, any issues that arise are documented and corrective actions taken, as necessary, including the revision of standard operating procedures; education

and monitoring of outcomes; and ensuring the facility Compliance Committee is notified of these actions for reporting to Senior Leadership;

(5) Notifying the Billing supervisor or designee, through an encrypted email, when a code(s) has been changed based on retrospective review; and

(6) Documenting in an Excel spreadsheet errors identified and forwarding the completed spreadsheet to Revenue (Billing) through an encrypted email, if it is not accessible through SharePoint.

i. **Credentialing and Privileging Officer.** Each facility's Credentialing and Privileging Officer or designee is responsible for ensuring that the RNB Report provided by the Revenue organization is reviewed, corrective action taken as appropriate, and results reported back to Revenue on a monthly basis.

j. **CBI Officer.** Each facility's CBI Officer is responsible, on a monthly basis, for obtaining the Encoder Case Comments Report with explanations or actions from HIM staff, reviewing the report with the facility Compliance Committee, documenting the analyses and corrective actions in Compliance Committee minutes, and working with the Compliance Committee to make recommendations to facility leadership.

k. **CBI CPAC Liaison.** Each CPAC's CBI Liaison is responsible, on a monthly basis, for obtaining the RNB Report with explanations or actions from Revenue and reviewing the report. This report should be used in conjunction with the quarterly RNB Metric results to document and analyze corrective actions in CBI CPAC Committee minutes, and the CBI CPAC Liaison must work with the CBI CPAC Compliance Committee to make recommendations to CPAC leadership.

5. REFERENCES:

a. 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 June 2008.

b. Office of Inspector General (OIG)-11-00333-254, Audit of Medical Care Collections Fund Billing of VA-Provided Care, dated August 30, 2012.