

## **SUMMARY**

The purpose of this document is to highlight the main points of the draft agreement that has been developed thus far by the Department of Veterans Affairs (VA) and the Department of Health and Human Services (HHS)/ Indian Health Service (IHS). VA and IHS are seeking input from the Tribes regarding both the areas where there has been agreement and the areas that require further discussion.

### **1. General issues**

The goal is to have the draft agreement that is currently under development serve as the basic underlying agreement that sets forth the terms and conditions for reimbursement between the VA and IHS and the VA and Tribal health programs.

IHS and VA agree that implementing reimbursement under a demonstration project would allow all parties to move forward more expeditiously while having an opportunity to work through issues that may arise. Thus, IHS and VA are proposing that implementation of these agreements begin with a demonstration project that is limited to reimbursement for direct health care services at a limited number of sites. IHS, VA and the Tribes would work together to identify appropriate areas for the demonstration project.

### **2. Reimbursement/Eligibility**

The draft agreement would cover reimbursement for direct health care services provided by the IHS or Tribal health facility.

Reimbursement would be for direct health care services provided to American Indian and Alaska Native Veterans who are eligible for both IHS and VA services/benefits, and enrolled as required by the VA.

Reimbursement would be for direct health care services that the Eligible American Indian and Alaska Native Veteran would receive based on their eligibility for services at the VA, e.g., VA's Medical Benefits package.

Reimbursement would not be provided for American Indian and Alaska Native Veterans who are not eligible for both VA and IHS services, who are not enrolled in the VA (if required), or who are receiving care outside the enrolled Veteran's benefit.

VA would reimburse for medication for direct inpatient care and VA and IHS will use VA's Consolidated Mail Outpatient Pharmacy (CMOP) for routine outpatient medications.

### **3. Payment Methodologies**

## **VA-IHS Draft Agreement– Reimbursement for Direct Health Care Services**

Payment methodologies are proposed to be basically the same as what IHS hospitals and clinics are reimbursed for now: Inpatient hospital services would be based on Medicare payment methodologies specific to the type of rate already received (IPPS, CAH, etc); Outpatient services would be based on the IHS all inclusive rate for Medicare and Medicaid. Other specific rates will be spelled out in the document.

Claims submission would be based on industry standards and in electronic or paper format.

### **4. Quality of Care**

VA and IHS/Tribal health programs would develop a process to share patient records consistent with relevant privacy laws and will continue activities to share data electronically.

IHS and Tribal health programs would agree to promote quality health care through collaborative activities to review, measure and report on quality of care delivered to eligible American Indian and Alaska Native Veterans. In order to receive reimbursement, IHS and Tribal health programs would meet requirements for CMS certification/conditions of participation and/or accreditation through the Joint Commission or Accreditation Association for Ambulatory Health Care (AAAHC). IHS and VA agree to continue to work cooperatively to assure quality care is advanced for American Indian and Alaska Native Veterans.

### **5. Areas still under discussion**

Reimbursement for care provided outside of IHS and Tribal health programs (such as through the Contract Health Service Program) would not be included in this agreement and is under discussion.

The goal is to have IHS or Tribal health programs bill all third party payers, as permissible by law for IHS/Tribal beneficiaries, prior to billing the VA so that VA is responsible only for the balance remaining after other third party reimbursements. Such billing priority may require certain legislative changes. Prior to enactment of legislative changes, it appears that the VA is required to be the first payer and reimburse the full amount.

The legal authorities that authorize this agreement are still under discussion and legal review.

VA's legal position is that its statutory or regulatory copayment requirements cannot be waived under this agreement; however, VA and IHS have discussed the possibility of IHS and Tribal facilities covering any applicable VA copayment required of the Veteran. VA and IHS are evaluating the processes that could be utilized to achieve this. VA will consider pursuing legislation that would waive the copayment requirements for care provided under these agreements.

Emergency Care and Behavioral Health are still under discussion.