

Policy Alert

November 11, 2014

VA Health Reform: New Opportunities for Providers

The Veterans Access, Choice, and Accountability Act of 2014 (Public Law 113-146) significantly expands access to health care services funded by the U.S. Department of Veterans Affairs (VA), creates new opportunities for non-VA health care providers and provides \$10 billion in federal funding to enable non-VA providers to deliver health care to veterans and receive payments at Medicare rates with provisions designed to expedite VA's payment process. On November 5, 2014, VA issued regulations to establish the new "Veterans Choice Program," effective immediately. The program will continue through August 7, 2017, or until the funding is exhausted. VA has provided an opportunity for public input and will consider any comments submitted by March 5, 2015.

Non-VA providers eligible to furnish care under the program include Medicare-participating providers, federally-qualified health centers and facilities of the Department of Defense or the Indian Health Service. Eligible non-VA providers must enter into an agreement with VA, and reimbursement rates will be capped at Medicare rates unless the provider is located in a "highly rural area."

Delivery of care through non-VA providers is at the election of eligible veterans. Veterans must seek VA authorization to receive non-VA provider services for up to 60 days as part of an episode of care. The non-VA provider also must be deemed "accessible" to the veteran, which VA will determine individually based on several factors.

Veterans who enrolled in the VA health system on or before August 1, 2014, or who are within five years of post-combat separation, may be eligible to receive non-VA care under the program. To participate, a veteran also must have been unable to schedule an appointment within the VA's 30-day wait-time goals or must qualify based on his or her place of residence.

VA is phasing in implementation of the program by mailing "Veterans Choice Cards" in three groups. VA sent the first batch of cards on November 5, 2014, to veterans who live 40 miles or more from a VA facility. VA next plans to send a second group of cards to veterans who are currently waiting more than 30 days for an appointment. A final group of cards will be sent between December 2014 and January 2015 to all other veterans who may be eligible to receive non-VA care in the future.

Importantly, the regulation acknowledges that Congress also directed VA to ensure prompt payment of non-VA providers by establishing a new claims processing system within the Chief Business Office of the Veterans Health Administration. Under the law, the system must process and pay bills or claims for authorized health care services provided to veterans and provide accurate and timely payments for claims received under the program.

These provisions remain subject to implementation by VA, however, and their practical effect is unclear. Health care providers that intend to pursue the opportunity to expand care to veterans must engage proactively with VA and policy-makers as the law is implemented to ensure that Congress's objective of prompt payment is actually achieved.

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