

## Client Alert

August 3, 2015

### Congress Overhauls Community-Based Care for Veterans

Facing a shortfall in funding for veterans' health care, Congress and the President acted swiftly to enact a new law that makes changes to the Veterans Choice Program established last year, which has significant implications for health care providers serving veterans in their communities.

On July 29, 2015, the U.S. House of Representatives voted overwhelmingly to approve [H.R. 3236](#), the "Surface Transportation and Veterans Health Care Choice Improvement Act of 2015." The bill gives the secretary of the Department of Veterans Affairs (VA) temporary flexibility to shift funds to cover a shortfall in the VA's budget for community-based health care for veterans while reforming the VA's existing community care programs to expand eligibility and access to services through non-VA providers. The Senate approved the legislation on July 30, 2015, and the President signed it into law on July 31, 2015 (P.L. 114-41).

The new law authorizes the VA to shift up to \$3.348 billion from the existing Veterans Choice Fund established last year under the Veterans Access, Choice and Accountability Act (P.L. 113-146). Those dollars will be available to cover the costs of health care services provided to veterans by non-VA providers between May 1 and October 1, 2015, under the VA's various community care programs. Of that amount, the VA may use up to \$500 million for pharmaceutical expenses related to the treatment of Hepatitis C.

In addition, the law makes a number of changes to the current Veterans Choice Program to expand eligibility and increase veterans' access to care. Notably, the bill eliminates the requirement that a veteran be enrolled in the VA health care system by August 1, 2014, in order to participate, allows the VA to expand the number of non-VA providers that may offer medical services, waives the program's wait-time eligibility threshold if clinically necessary for the veteran and allows veterans residing within 40 driving miles of a VA medical facility to use non-VA services if the VA facility does not have a full-time physician on staff.

Significantly, the law also requires the VA to consolidate and overhaul its existing programs that provide community-based health care services to veterans through non-VA providers. The VA must develop a plan to consolidate all of its non-VA programs into a single "Veterans Choice Program" and submit a report to Congress by November 1, 2015, along with any recommendations for legislative action to implement the plan. The plan must detail a standardized method to provide care that incorporates the strengths of non-VA provider programs into a single streamlined program.

Among its other provisions, the plan must include the eligibility requirements for veterans, the authorization process for accessing non-VA care, the structure of the billing and reimbursement process,

the reimbursement rate to be paid to providers, the eligibility requirements for providers at non-VA facilities, an explanation of the processes to be used to ensure that the secretary will fully comply with the federal Prompt Payment Act, how the secretary plans to use the infrastructure and networks of existing non-VA provider programs, and how health care providers at non-VA facilities will access and share veterans' medical records.

The VA faces a tight time frame to meet the November 1, 2015, deadline, since it continues to struggle to reduce wait times, increase access to services, provide timely payment to non-VA providers and address other challenges within its health care system. Health care providers and impacted stakeholders have an important opportunity to engage the VA and policy-makers in Congress now, as the VA strives to improve community-based health care services for our nation's veterans.

## Contact Information

If you have any questions regarding this alert, please contact:

**M. Todd Tuten**

[ttuten@akingump.com](mailto:ttuten@akingump.com)

202.887.4203

Washington, D.C.