The Veterans Choice Program (VCP): Program Implementation

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Summary

Authorized under Section 101 of the Veterans Access, Choice, and Accountability Act of 2014 (VACAA), the Veterans Choice Program (VCP) is a temporary program that enables eligible veterans to receive medical care in the community. Since the program was first established by VACAA, it has been amended and funded several times. More recently, P.L. 115-26 eliminated the August 7, 2017, expiration date for the VCP and allowed the program to continue until the initial $10 billion deposited in the Veterans Choice Fund (VCF) was expended. P.L. 115-46 authorized and appropriated an additional $2.1 billion to continue the VCP until funds were expended, and when these funds were also nearing their end, Division D of P.L. 115-96 appropriated an additional $2.1 billion to continue the VCP until funds were expended. Lastly, Section 510 of the VA MISSION Act (P.L. 115-182), signed into law on June 6, 2018, authorized and appropriated $5.2 billion for VCP without fiscal year limitation, and Section 143 of this same act imposed a sunset date that is one year after the date of enactment (June 6, 2018) of the VA MISSION Act (i.e., June 6, 2019). Title 101 of the VA MISSION Act also authorized a permanent program known as the Veterans Community Care Program (VCCP), which is to replace VCP when VCCP is established by the Department of Veterans Affairs (VA) around June 2019 (when regulations are published by the VA no later than one year after the date of enactment [June 6, 2018] of the VA MISSION Act; that is, June 6, 2019, or when the VA determines that 75% of the amounts deposited in the VCF have been exhausted).

Eligibility and Choice of Care

Veterans must be enrolled in the VA health care system to request health services under the VCP. A veteran may request a VA community care consult/referral, or his or her VA provider may submit a VA community care consult/referral to the VA Care Coordination staff within the VA.

Veterans may become eligible for the VCP in one of four ways. First, a veteran is informed by a local VA medical facility that an appointment cannot be scheduled within 30 days of the clinically determined date requested by his or her VA doctor or within 30 days of the date requested by the veteran (this category also includes care not offered at a veteran’s primary VA facility and a referral cannot be made to another VA medical facility or other federal facility). Second, the veteran lives 40 miles or more from a VA medical facility that has a full-time primary care physician. Third, the veteran lives 40 miles or less (not residing in Guam, America Samoa, or the Republic of the Philippines) and either travels by air, boat, or ferry to seek care from his or her local facility or incurs a traveling burden of a medical condition, geographic challenge, or an environmental factor. Fourth, the veteran resides 20 miles or more from a VA medical facility located in Alaska, Hawaii, New Hampshire (excluding those who live 20 miles from the White River Junction VAMC), or a U.S. territory, with the exception of Puerto Rico.

Once found eligible for care through the VCP, veterans may choose to receive care from a VA provider or from an eligible VA community care provider (VCP provider). VCP providers are federally qualified health centers, Department of Defense (DOD) facilities, or Indian Health Service facilities, and hospitals, physicians, and nonphysician practitioners or entities participating in the Medicare or Medicaid program, among others. A veteran has the choice to switch between a VA provider and VCP provider at any time.

Program Administration and Provider Participation

The VCP was administered by two third-party administrators (TPAs): Health Net and TriWest. At the end of September 2018, the VA has announced that it would end its contract with Health Net as a TPA because of low patient volume, customer service issues, and late payments to
community providers in its network. TriWest would continue to be a TPA for the areas they manage. Generally, a TPA manages veterans’ appointments, counseling services, card distributions, and a call center. The TPA contracts directly with the VA. Then, the TPA contracts with eligible non-VA community care providers interested in participating in the VCP.

**Payments**

Generally, a veteran’s out-of-pocket costs under the VCP are equal to VHA out-of-pocket costs.Veterans do not pay any copayments at the time of their medical appointments. Copayment rates are determined by the VA after services are furnished. Enactment of P.L. 115-26 on April 19, 2017, allowed VA to become the primary payer when certain veterans with other health insurance (OHI) receive care for nonservice-connected conditions under VCP—veterans would not have to pay a copayment under their OHI anymore. The VA would coordinate with a veteran’s OHI and bill for any copayments that the veteran would be responsible for similar to what they would have paid had they received care within a VA medical facility. Participating community providers are reimbursed by their respective TPA, and VA pays the TPAs on an aggregated basis, known as bulk payments.
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Introduction

In response to concerns about access to medical care at many Department of Veterans Affairs (VA) hospitals and clinics across the country in spring 2014, Congress passed the Veterans Access, Choice, and Accountability Act of 2014 (VACA, P.L. 113-146, as amended). On August 7, 2014, President Obama signed the bill into law. Since the VACA was enacted, Congress has amended the act several times: P.L. 113-175, P.L. 113-235, P.L. 114-19, P.L. 114-41, P.L. 115-26, P.L. 115-46, P.L. 115-96, and P.L. 115-182. In addition, the VA has issued implementation regulations and guidance on several occasions in response to the changes to VACA and challenges encountered during implementation of the law. Table 1 provides major highlights pertaining to the Veterans Choice Program (VCP)—a new, temporary program authorized by Section 101 of the VACA that allows eligible veterans to receive medical care in the community.

Table 1. Veterans Choice Program (VCP) Timeline

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<tr>
<th>Date</th>
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<tr>
<td>August 7, 2014</td>
<td>The Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146) signed into law. The Secretary of Veterans Affairs is required to publish regulations in the Federal Register for the implementation of Veterans Choice Program (VCP) no later than November 5, 2014.</td>
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<tr>
<td>September 26, 2014</td>
<td>The Department of Veterans Affairs Expiring Authorities Act of 2014 (P.L. 113-175) was signed into law. The act makes several technical amendments to the Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146).</td>
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<tr>
<td>November 5, 2014</td>
<td>The Department of Veterans Affairs issues interim final rules implementing the Veterans Choice Program (VCP). VA begins mailing out a Choice Card to every enrolled veteran and every separating servicemember.</td>
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<td>December 16, 2014</td>
<td>The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) is signed into law. The act made several technical amendments allowing the VA to reimburse providers in the state of Alaska, under the VA Alaska Fee Schedule, and in states with an “All-Payer Model” agreement, VA was allowed to calculate Medicare payments based on payment rates under such “All-Payer Model” agreements.</td>
</tr>
<tr>
<td>April 24, 2015</td>
<td>The Department of Veterans Affairs issues interim final rules modifying how VA measures the distance from a veteran’s residence to the nearest VA medical facility. This modification considered the distance the veteran must drive to the nearest VA medical facility from the veteran’s residence, rather than the straight-line or geodesic distance to the VA facility.</td>
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<td>May 12, 2015</td>
<td>Department of Veterans Affairs issues memorandum to Veterans Integrated Service Network (VISN) Directors on VA Care in the Community (Non-VA Purchased Care) and use of the Veterans Choice Program. The memorandum outlines that effective June 8, 2015, a specific hierarchy of care must be used when the veteran’s primary VA medical facility cannot readily provide needed care to a veteran, either because the care is unavailable at the facility or because the facility cannot meet VHA’s wait time criteria.</td>
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<td>May 22, 2015</td>
<td>The Construction Authorization and Choice Improvement Act was signed into law (P.L. 114-19) and amended the 40 miles eligibility criteria for the Veterans Choice Program (VCP) to clarify that the 40 miles is calculated based on distance traveled (driving distance) rather than the previous straight-line or geodesic distance standard, and authorized VA to determine if there is an unusual or excessive burden in traveling to a VA medical facility.</td>
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<td>July 31, 2015</td>
<td>The Surface Transportation and Veterans Health Care Choice Improvement Act (P.L. 114-41) is signed into law. Among other things, the act allowed all enrolled veterans to be eligible for the Veterans Choice Program (amended the August 1, 2014, enrollment date restriction), defined the nearest VA medical facility as a Community Based Outpatient Clinic (CBOC) with no full time primary care physician, removed the 60-day limitation on an episode of care, included clinically indicated date as a wait time eligibility criteria, and expanded provider eligibility.</td>
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<td>October 1, 2015</td>
<td>Department of Veterans Affairs issues memorandum to Veterans Integrated Service Network (VISN) Directors on VA Care in the Community (Non-VA Purchased Care) and use of the Veterans Choice Program that modifies the May 12, 2015, memorandum. The memorandum provides guidance on the hierarchy of care in the Veterans Choice Program (VCP). This allows VA medical facilities to refer the veteran to VCP for care not available at the veteran’s primary VA medical facility and for which a referral pattern does not exist to another VA medical facility or other federal facility.</td>
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<td>October 29, 2015</td>
<td>The Department of Veterans Affairs (VA) publishes final rules based on interim final rules published on November 5, 2014, and on April 24, 2015. These rules do not incorporate amendments to the Veterans Choice Program (VCP) made by the Surface Transportation and Veterans Health Care Choice Improvement Act (P.L. 114-41).</td>
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<tr>
<td>December 1, 2015</td>
<td>The Department of Veterans Affairs (VA) publishes interim final rules revising previous VA regulations implementing the Veterans Choice Program (VCP) based on amendments made by the Construction Authorization and Choice Improvement Act was signed into law (P.L. 114-19) and the Surface Transportation and Veterans Health Care Choice Improvement Act (P.L. 114-41).</td>
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<td>April 19, 2017</td>
<td>P.L. 115-26 (unofficially referred to as the Veterans Choice Program Improvement Act) eliminates the August 7, 2017, sunset date of the Veterans Choice Program (VCP) and authorizes the program to continue until all the funds in the Veterans Choice Fund established by Section 802 of the Veterans Access, Choice, and Accountability Act of 2014 are expended. Furthermore, P.L. 115-26 authorized the Department of Veterans Affairs (VA) to become the primary payer for veterans with other health insurance (OHI) for care or services related to a nonservice-connected disability for which the veteran is entitled to care under the veteran’s OHI. The VA would coordinate with the veteran’s OHI and bill for any copayments that the veteran would be responsible for similar to what they would have paid had they received medical care or services within a VA medical facility.</td>
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On June 6, 2018, President Donald Trump signed the John S. McCain III, Daniel K. Akaka, and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (the VA MISSION Act of 2018) into law (P.L. 115-182). Section 101 of this act established a new permanent Veterans Community Care Program (VCCP) that would replace VCP. This new program is expected to be operational around June 6, 2019. (The MISSION Act of 2018 stipulates that VCCP must be effective when the VA determines that 75% of the amounts deposited in the Veterans Choice Fund [VCF] have been exhausted, or when regulations are published by the VA, which is no later than one year after the date of enactment of the VA MISSION Act—June 6, 2019.)

This report provides details on how the VCP is being implemented. It is meant to provide insight into the execution of the current VCP program that is still functioning until the new VCCP program becomes operational sometime in June 2019.

Scope and Limitations

Information contained in this report is drawn from regulations published in the Federal Register, conference calls, numerous meetings with VHA staff, and briefing materials and other information provided by the VA Office of Congressional and Legislative Affairs (which may not be publicly available). This report does not discuss the new VCCP program established by Section 101 of the VA MISSION Act of 2018.

Medical Services Under VCP

Once an eligible veteran is authorized to receive necessary treatment, including follow-up appointments and ancillary and specialty medical services, under the VCP, a veteran may receive similar services that are offered through their personalized standard medical benefits package at a VA facility. VA’s standard medical benefits package includes (but is not limited to) inpatient and outpatient medical, surgical, and mental health care; pharmaceuticals; pregnancy and delivery
services; dental care; and durable medical equipment, and prosthetic devices, among other things.\(^3\) Currently, 81 categories of medical services and procedures are authorized to be provided under VCP.\(^4\) However, institutional long-term care and emergency care in non-VA facilities are excluded from the VCP. “It is important to note that the VCP does not provide guaranteed health care coverage or an unlimited medical benefit.”\(^5\) These services are authorized and provided under separate statutory authorities outside the scope of VCP.

## Eligibility

Generally, all veterans have to be enrolled in the VA health care system\(^6\) to receive care under the VCP. Once this initial criterion is met, a qualified veteran may choose to receive care through VCP. Veterans may become eligible for care under the VCP through one of four different pathways.\(^7\)

- **30-day wait list (Wait-Time Eligible):** A veteran is eligible for care through the VCP when he or she is informed, by a local VA medical facility, that an appointment cannot be scheduled
  - within 30 days of the clinically determined date of when the veteran’s provider determines that he or she needs to be seen (this category also includes care not offered at the veteran’s primary VA medical facility and a referral cannot be made to another VA medical facility),\(^8\) or

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\(^3\) For a complete summary of the VA’s standard medical benefits package, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*; and 38 C.F.R. §17.38.

\(^4\) The 81 categories of medical services and procedures covered in the community under the VCP are acupuncture; allergy and immunology; audiology; biofeedback; cardiology catheterization; cardiology imaging; cardiology rehabilitation; cardiology stress test; cardiology tests, procedures, studies; chemotherapy; chiropractic; colonoscopy; dental; dermatology; dermatology tests, procedures, studies; endocrinology; endocrinology tests, procedures, studies; ear, nose, and throat; gastroenterology; gastroenterology tests, procedures, studies; genetic testing/counseling; gynecology; gynecology tests, procedures, studies; hematology/oncology; Hepatitis C; homemaker home health aid; hospice; hyperbaric therapy; infectious disease; interventional radiology; intravenous therapy (IV)/ infusion, clinic; lab and pathology; medicine; mental health; nephrology; neurology tests, procedures, studies; neuropsych testing; neurosurgery; newborn care; noninstitutional IV/infusion care; noninstitutional skilled home care; noninstitutional skilled nursing care; noninstitutional spinal cord care; nuclear medicine; nutrition/dietitian services; obstetrics; occupational therapy; ophthalmology; ophthalmology tests, procedures, studies; optometry; orthopedic; orthopedic tests, procedures, studies; pain management; physical therapy; plastic surgery; podiatry; primary care; pulmonary; pulmonary rehabilitation; pulmonary tests, procedures, studies; radiation therapy; radiology; radiology CT scan; radiology DEXA scan; radiology mammogram; radiology MRI/MRA; radiology PET scan; radiology ultrasound; rehabilitation medicine; respiratory therapy; rheumatology; sleep study/polysonography; surgery general; thoracic surgery; urology; urology tests, procedures, studies; vascular; vascular tests, procedures, studies; veteran directed home and community based services; and wound care (Source: Department of Veterans Affairs, FY2018 Congressional Budget Submission, *Medical Programs and Information Technology Programs*, vol. 2 of 4, May 2017, pp. VHA-319-VHA- 320).

\(^5\) Letter from Veterans Health Administration, Chief Business Office Purchased Care to Veteran, Eligible Choice 30-Day Wait Recipient, September 25, 2015.

\(^6\) For general enrollment procedures, see CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*.

\(^7\) Department of Veterans Affairs, “Expanded Access to Non-VA Care through the Veterans Choice Program,” 80 Federal Register 74991-74996, December 1, 2015 (codified at 38 C.F.R. §17.1510).

\(^8\) Department of Veterans Affairs, VA Care in the Community (Non-VA Purchased Care) and use of the Veterans Choice Program, Memorandum from Acting Principal Deputy Under Secretary for Health to Veterans Integrated
• within 30 days of the date of when the veteran wishes to be seen.

• **40 miles or more distance (Mileage Eligible):** A veteran is eligible for care through the VCP when he or she lives 40 miles or more from a VA medical facility that has a full-time primary care physician.

• **40 miles or less distance (Mileage Eligible):** A veteran is eligible for care through the VCP when he or she resides in a location, other than one in Guam, American Samoa, or the Republic of the Philippines, and
  • travels by air, boat, or ferry in order to seek care from his or her local VA facility; or
  • incurs a traveling burden\(^9\) based on environmental factors, geographic challenges, or a medical condition.\(^10\)

• **State or territory without a full-service VA medical facility:** A veteran is eligible for care through the VCP when his or her residence is more than 20 miles from a VA medical facility and located in either
  • Alaska,
  • Hawaii,
  • New Hampshire (excluding veterans who live 20 miles from the White River Junction VAMC), or
  • U.S. territory (excluding Puerto Rico).

**Table 2** provides a breakdown of the unique number of veterans utilizing the VCP, by eligibility category, from November 2014 through August 28, 2018, unless otherwise noted.

**Table 2. Unique Veterans Utilizing the Veterans Choice Program**
*(November 2014 to August 28, 2018)*

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<tr>
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<th>Wait-Time Eligible [(VACAA, §101(b)(2) (A))]</th>
<th>Choice First (June 2015-August 28, 2018) (^a)</th>
<th>Mileage Eligible [(VACAA, §101(b)(2) (B))]</th>
<th>Resides in a State Without VA Medical Facility [(VACAA, 101(b)(2)(C))]</th>
<th>Unusual/Excessive Travel Burden [(VACAA, 101(b)(2)(D))] (June 2017-August 28, 2018)</th>
</tr>
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<tbody>
<tr>
<td>Unique Veterans</td>
<td>908,884</td>
<td>1,213,869</td>
<td>206,580</td>
<td>56,183</td>
<td>1,431</td>
</tr>
</tbody>
</table>

**Source:** Data provided by the Department of Veterans Affairs, using self-reported weekly data by the Third-Party Administrators, and has not been validated. The data fluctuate from the monthly validated reports, and they cannot be reconciled. However, according to the department, these are the best data currently available.

\(^a\) Service Network (VISN) Directors, May 12, 2015, and amended on October 1, 2015.

\(^9\) Local VA staff decides whether or not the burden is unusual or excessive and likely to exist “at least 30 days or more from the date of the determination.” Staff are to document the decision on VA Form 119, Report of Contact, which includes the date of determination, expected duration of travel burden, and reason(s) behind the decision. Notification is to be sent in a letter by mail to the veteran. Department of Veterans Affairs, Veterans Health Administration, *Veterans Choice Program - Unusual or Excessive Burden Determination*, September 11, 2015.

\(^10\) A local VA provider or the facility’s Primary Care Patient Aligned Care Team (PACT) determines whether or not a veteran is facing an unusual or excessive travel burden due to a medical condition. The duration of the burden is also assessed.
Notes: The total number of unique veterans cannot be added across rows, as a veteran may be counted in more than one eligibility category. Unique veterans are counted using the social security number per eligibility category and have completed at least one appointment under that eligibility category; excludes any return authorizations.

a. Effective June 2015, the VA provided guidance on the hierarchy of care in the Veterans Choice Program (VCP). This allows VA medical facilities to refer the veteran to VCP for care not available at the veteran’s primary VA medical facility and for which a referral pattern does not exist to another VA medical facility or other federal facility. This initiative is known as “Choice First.”

A veteran who believes that he or she meets one of the eligibility criteria to receive care through the VCP is to have his or her eligibility status confirmed by local VA staff. A high-level overview of the eligibility process to access care through the VCP is illustrated in Figure 1. Local VA facility staff members are to review clinical and administrative records of the veteran to determine the appropriate medical benefits package and clinical criterion. Confirmation of the veteran’s eligibility status is generally determined within 10 business days from when the request for confirmation was submitted. Veterans who are found ineligible to participate in the VCP are to be given instructions, in their notification letters, on how to appeal the VA’s decision. Also see Appendix A for a detailed high-level workflow of how care is obtained through VCP.

Choice of Care

Eligible veterans have two options for receiving health care services under the Veterans Choice Program (VCP). First, veterans may choose to receive their medical care from a VA provider. A veteran who chooses this option is to receive an appointment with a VA provider. The veteran may be offered a VA appointment that is more than 30 days out or at a facility that is more than 40 miles from the veteran’s residence. If an offered appointment does not accommodate the veteran’s clinical needs, the local VA staff may place the veteran on an electronic waiting list until an alternate appointment becomes available. At any time, the veteran (based on the availability of clinical appointments) may choose to receive his or her medical services from a VA community care provider.

The second option allows veterans to receive health care services from a VA community care provider (VCP provider) who accepts eligible VCP veterans. Veterans who choose this option are to have their names and medical authorization information sent to a VCP provider of their choice. At any time, veterans (based on the availability of clinical appointments) may choose to receive their medical services from a VA provider.

Two Options for Choosing Care under the Veterans Choice Program (VCP)
Based on the availability of appointments,
- A veteran may choose to receive medical care from a VA provider.
- A veteran may choose to receive medical care from a VA community care provider.

11 Veterans may appeal the decision of their local facility to the Board of Veterans Appeals (BVA). First, veterans would send a notice of disagreement to their facility. Then the facility is to generate a statement of case (SOC). Lastly, the facility is to process the appeal and forward it to the BVA for processing. Department of Veterans Affairs, Veterans Health Administration, Veterans Choice Program - Unusual or Excessive Burden Determination, September 11, 2015, p. 3.
13 38 C.F.R. §17.1515.
VCP Providers

Under the VCP, several entities and providers are eligible to provide care and services. These include, among others, federally qualified health centers, Department of Defense (DOD) medical facilities, Indian Health Service outpatient health facilities or facilities operated by a tribe or tribal organization, hospitals, physicians, and nonphysician practitioners or entities participating in the Medicare or Medicaid program, an Aging and Disability Resource Center, an area agency on aging, or a state agency or a center for independent living. VA employees are excluded from providing care or services under VCP, unless the provider is an employee of VA, and is not acting within the scope of such employment while providing hospital care or medical services through the VCP.\textsuperscript{14} Generally, VCP providers “must maintain at least the same or similar credentials and licenses as those required of VA’s health care providers.”\textsuperscript{15}

\textsuperscript{14} 38 C.F.R. §17.1530.
\textsuperscript{15} 38 C.F.R. §17.1530.
Figure 1. Eligibility Process to Access Care through the Veterans Choice Program (VCP)

Source: Figure prepared by CRS based on information from the Veterans Health Administration.
Notes: * this category includes care not offered at the veteran’s primary VA medical facility and a referral cannot be made to another VA medical facility or federal facility.
Illustrated is a high-level overview of the process to access care under the Veterans Choice Program (VCP). This figure does not specify (1) the criteria VA staff use to determine veterans’ eligibility statuses; (2) the interactions veterans will encounter throughout their processes to access care under the VCP; or (3) how local VA Medical Centers (VAMC) may enter into provider agreements with VA community care providers. This figure does not reflect the appeals process.

Program Administration

The Veterans Choice Program (VCP) is not a health insurance plan for veterans. Under the VCP, veterans are given the option of receiving care in their local communities instead of waiting for a VA appointment and/or enduring traveling burdens to reach a VA facility.16

All veterans who are enrolled in the VA health care system are to be mailed a VCP card. The card lists relevant information about the VCP. Many veterans have attempted to use the VCP card as an insurance card. The VCP card may not be used to pay for medical services performed outside of or within the VA. Specifically, the VCP card does not

- replace veterans’ identification cards,
- guarantee eligibility under the VCP;17 or
- provide health insurance-like benefits (i.e., the VCP, like all VA health care, is not health insurance).

Third-Party Administrators (TPAs)

In September 2013, the VA awarded contracts to Health Net18 and TriWest19 to expand veterans’ access to non-VA health care in the communities, under the Patient-Centered Community Care (PC3) initiative.20 Later, in November 2014, the VA modified those contracts to include support services under the Veterans Access, Choice, and Accountability Act of 2014 (VACAA, or the Choice Act). Under the Veterans Choice Program (VCP), Health Net and TriWest manage the appointments, counseling services, card distributions, and a call center.21 They also oversee VCP providers, medical services reporting and billing processes, and the coordination of care with private health insurers. As illustrated in Figure 2, Health Net covers Regions 1, 2, and 4, and TriWest covers Regions 3, 5A, 5B, and 6.


17 Department of Veterans Affairs, Veterans Choice Program, Leadership Toolkit for VA Facilities, p. 16.


20 The Patient-Centered Community Care (PC3) initiative evolved from the Project on Healthcare Effectiveness through Resource Optimization (Project HERO) pilot program. Under the PC3 program, VA provides contracted inpatient and outpatient specialty care and mental health care to eligible veterans when VA medical facilities cannot provide services such as when there is a lack of medical specialists, or long wait times, or there is an extraordinary long distance from the veteran’s residence.

21 Veterans Health Administration, Choice Champion Call, November 10, 2015, p. 31.
End of Contract with Health Net

In March 2018, the VA announced that the VCP contract with Health Net would end by September 30, 2018. Low volume of patients, customer service issues, and delayed payments to community providers were potentially some of the reasons for this decision. The contract with TriWest would continue. The VA has issued guidance to veteran patients, community providers, and local VA medical center staff regarding next steps after the contract with Health Net ends in September 2018. These documents have been reproduced in their entirety in Appendix B.

Activities previously undertaken by Health Net, such as VCP authorizations, care coordination, and billing and payments, will now be managed directly between local VA medical centers and community care providers.

Figure 2. VCP Regions Covered by Third-Party Administrators

Source: Map prepared by CRS based on data from the Veterans Health Administration.

Notes: Beginning September 30, 2018, Health Net would no longer administer the contracted network regions shown above, and would not perform certain administrative tasks for the VA. These activities, including VCP authorizations, care coordination, and billing and payments, will be managed directly between the VA and community care providers.

Community Care Provider Participation

Eligible non-VA community care providers may become VCP providers. Providers who are interested in participating in the VCP may do so either through the Patient Centered Community Care (PC3) network or the Choice network. Community providers who are under the Choice network may only render authorized services to VCP-eligible veterans. Under the PC3 network, all veterans who are eligible for VA community care may be seen. The reason is that there are two different statutory authorities for care delivered through VCP and PC3. Interested providers are required to contact TriWest to determine whether they qualify as a VA community care provider. To qualify, providers must meet the following criteria:

- Have a full, current, and unrestricted state license and the same/similar VA credentials.
- Not be named on the Centers for Medicare and Medicaid Services (CMS) exclusionary list.
- Meet all Medicare Conditions of Participation (CoPs) and Conditions for Coverage (CfCs).
- Accept Medicare or Medicaid rates.
- Provide resources (services, facilities, and providers) that are in compliance with applicable federal and state regulatory requirements.
- Submit all medical records of rendered services to veterans to the TPA for inclusion in veterans’ VA electronic medical records.

After determining that a provider is eligible for participation, he or she may enroll (with TriWest) as a VCP provider. At this time, the VA community care provider and respective third-party administrator (TPA) are to establish an agreed-upon reimbursement amount for rendered services to veterans. When TriWest is unable to coordinate the delivery of health care services to veterans, local VA Medical Centers (VAMCs) may enter into VCP Provider Agreements with eligible VA community providers through the VAMCs’ Community Care Departments.

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24 Major portions of this section are adapted from, Department of Veterans Affairs, Veterans Health Administration, How to become a Veterans Choice Program and/or Patient-Centered Community Care Provider, VA Community Care Fact Sheet for Interested Providers, May 24, 2017, p. 2. https://www.va.gov/opa/choiceact/documents/How_to_Become_VA_Provider_05242017_508.pdf. Details on how providers could participate in VCP are available at https://www.va.gov/opa/choiceact/for_providers.asp. Accessed on January 2, 2018.

25 Under the PC3 program, VA provides contracted inpatient and outpatient specialty care and mental health care to eligible veterans when VA medical facilities cannot provide services such as when there is a lack of medical specialists, or long wait times, or there is an extraordinary long distance from the veteran’s residence.

26 TriWest may be contacted by phone (1-866-284-3743) or email (TriWestDirectContracting@triwest.com). For additional information about TriWest, see https://www.triwest.com/provider. Accessed on January 2, 2018.


28 To determine if a provider or entity is required to meet the Conditions of Participations (CoPs) and Conditions for Coverage (CfCs), see https://www.cms.gov/Regulations-and-Guidance/Legislation/CFCsAndCoPs/index.html. Accessed on January 2, 2018.

29 Veterans Choice Program (VCP) Provider Agreements may be authorized between local VA Medical Centers (VAMCs) and out-of-network VA community care providers only after TriWest is unable to process a veteran’s authorization request and/or schedule an appointment, within a timely manner, for the veteran.
Consults/Referral Processes

Consults and referrals, known as the VA community care consults/referrals, are initiated in two different manners. First, a VA physician may submit a VA community care consult/referral (through the Computerized Patient Record System [CPRS]) on behalf of a veteran when there is a clinical need for the veteran to receive timely medical services. Second, a veteran may request a VA community care consult/referral (from his or her VA provider or local VA staff) in order to receive a medical service that is also timely. Regardless of how the consult/referral is initiated, all VA community care consults/referrals are to be processed by the VA Community Care Coordination staff within the VA. VA community care consults/referrals are processed based on whether the veteran requires emergent or urgent care. For urgent VA community care consults/referrals, VA providers are to coordinate the veteran’s care directly with the VA Community Care Coordination staff.

When a veteran’s request for a VA community care consult/referral cannot be approved, the veteran’s local VA facility staff are to notify the veteran. On behalf of the veteran, his or her VA provider is to continue coordinating the veteran’s medical services within the VA. The veteran’s provider might also explore other existing community care options offered by the Veterans Health Administration (VHA).

After a veteran’s request is approved or the VA community care consult/referral is submitted by the veteran’s provider, the VA Community Care Coordination staff are to confirm the veteran’s eligibility status. A veteran may decline enrollment into the VCP. When a veteran declines enrollment, his or her respective third-party administrator (TPA) is to document the veteran’s reason for opting out of the program. Then, on behalf of the veteran, his or her VA provider is to continue coordinating the veteran’s medical services within the VA. The veteran’s provider might also explore other existing community care options offered by the VHA.

If a veteran is found eligible to access care through the VCP, the VA Community Care Coordination staff is to then electronically upload the veteran’s VA community care consult/referral and pertinent medical documentation in the Contractor Portal, which is visible to TriWest. Once TriWest receives the documentation, the respective TPA is to contact the veteran. During this contact, the eligible veteran is to be provided with an overview of VCP benefits and asked to confirm his or her choice to receive medical services under the VCP.

If a veteran reiterates his or her choice to receive medical care under the VCP, the veteran may select his or her VA community care provider and coordinate with a TPA to schedule an appointment. In addition, the veteran is to be asked to provide other health insurance information, if applicable, and is made aware of possible copayments and deductibles. A veteran with a clinical need for a service-connected and/or special authority condition (SC/SA) is to have his or her

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30 Major portions of this section are adapted from, Department of Veterans Affairs, Veterans Health Administration, VHA Chief Business Office, Veterans Choice Program, Unusual or Excessive Burden Determination (Other Factors) Process, December 2015.

31 Generally, a veteran who becomes eligible under the VCP through the “30-day wait list” or “40 miles or more distance” pathway may not have to go through the entire VA community care consult/referral process.

32 The Computerized Patient Record System (CPRS) is the electronic system VA providers use to input consults/referrals for VA community care. Once entered, the VA community care consult/referral is to alert a clinical reviewer who is to examine the veteran’s medical need and confirm that the requested services are not available at a local VA health care facility.

33 Special authority conditions include those that are eligible for service-connection under Priority Group 6 (combat veterans, ionization radiation, Agent Orange exposure, Southwest Asia service, veterans stationed at Camp Lejeune)
screening information reviewed by Revenue Utilization Review (R-UR) nurses. The veteran’s appointment is then to be entered in the Contractor Portal so that it can be viewed by the VA Community Care Coordination staff. Daily, the VA Community Care Coordination staff is to check the Contractor Portal for appointment statuses and other updates. After the appointment is scheduled, the VA Community Care Coordination staff are to enter the appointment information into the Appointment Management system (within the VA) and update the veteran’s status to “scheduled.”

**Unusual or Excessive Burden Determination**

Along with the environmental factors, geographic challenges, and medical conditions, veterans are assessed by

- the nature or simplicity of the hospital care or medical services the veteran requires,
- how frequently the veteran needs hospital care or medical services, and
- the need for an attendant for a clinical service.

**Authorization of Care and an Episode of Care**

Prior to delivering medical services to veterans under the Veterans Choice Program (VCP), such services are to be authorized by the VA. If a veteran requires services beyond those authorized, his or her VCP provider may request another authorization. The delivery and usage of unauthorized medical services could result in nonreimbursement. Over 5.9 million authorizations have been made under the VCP. These authorizations of care, shown in Table 3, were authorized from November 5, 2014, to August 28, 2018, unless otherwise noted.

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34 “R-UR, under the auspices of the CBO, is the systematic evaluation and analytical review of clinical information in order to maximize reimbursement from third-party payers. In 2003, guidance was established standardizing the clinical review functions with third-party reimbursement responsibilities at VA medical facilities. R-UR in this context operates to promote improvements in patient care and to maximize the potential for the recovery of funds due VA for the provision of health care services to Veterans, dependents, and others using the VA health care system.” For more information, see Department of Veterans Affairs, Veterans Health Administration, *Utilization Management Program*, VHA Directive 1117, Washington, DC, July 9, 2014, p. 8, http://www.va.gov/vhapublications/ViewPublication.asp?pub_ID=3018. Accessed on January 2, 2018.


36 An attendant for clinical services is a person who provides essential aid and/or physical assistance to the veteran so that the veteran can travel to a VA medical facility to have hospital care or medical services rendered. 38 C.F.R. §17.1510(b)(4)(ii)(A)-(C).

37 VA community care providers may call the Operation Center for Choice at (866) 606-8198 to request prior authorization from TriWest prior to delivering medical services to veterans. Failure to obtain preauthorization prior to rendering health services may result in uncompensated services.
Table 3. Authorizations of Care for the Veterans Choice Program
(Note that one veteran patient could have more than one authorization; data from November 2014 to August 28, 2018)

<table>
<thead>
<tr>
<th>Authorizations: Wait-Time Eligibleb</th>
<th>Health Net</th>
<th>TriWest</th>
<th>Provider Agreementsa</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net</td>
<td>588,468</td>
<td>1,008,505</td>
<td>—</td>
<td>1,596,973</td>
</tr>
<tr>
<td>TriWest</td>
<td>900,248</td>
<td>1,538,276</td>
<td>—</td>
<td>2,438,524</td>
</tr>
<tr>
<td>Subtotal Unique Authorizations: Wait-Time Eligible</td>
<td>1,488,716</td>
<td>2,546,781</td>
<td>—</td>
<td>4,035,497</td>
</tr>
<tr>
<td>Authorizations: Mileage Eligibleb</td>
<td>200,169</td>
<td>446,241</td>
<td>—</td>
<td>646,410</td>
</tr>
<tr>
<td>Authorizations: Resides in a State without a VA Medical Facilityb</td>
<td>9,893</td>
<td>170,806</td>
<td>—</td>
<td>180,699</td>
</tr>
<tr>
<td>Authorizations: Unusual or Excessive Travel Burden (June 2017-August 28, 2018)b</td>
<td>796</td>
<td>4,876</td>
<td>—</td>
<td>5,672</td>
</tr>
<tr>
<td>Authorizations: Eligibility not categorizedb</td>
<td>19,796</td>
<td>369,559</td>
<td>—</td>
<td>389,355</td>
</tr>
<tr>
<td>Total Authorizations</td>
<td>1,719,370</td>
<td>3,538,263</td>
<td>652,080</td>
<td>5,909,713d</td>
</tr>
</tbody>
</table>

Source: Data provided by the Department of Veterans Affairs, using self-reported weekly data by the Third-Party Administrators, and have not been validated except for provider agreement information. The data fluctuate from the monthly validated reports, and they cannot be reconciled. However, according to the department, these are the best data currently available.

a. To receive payment for hospital care or medical services furnished under the VCP, the non-VA hospital care or medical services provider is required to sign an agreement to provide eligible veterans with hospital care and/or medical services authorized by the VA (VA FORM 10-10145) if they are not part of a TPA network.

b. Each authorization for an episode of care under this category is counted only once.

c. Based on the Department of Veterans Affairs, VA Care in the Community (Non-VA Purchased Care) and use of the Veterans Choice Program, Memorandum from Acting Principal Deputy Under Secretary for Health to Veterans Integrated Service Network (VISN) Directors, May 12, 2015, and amended on October 1, 2015, VA categorizes care that is unavailable at the veteran’s primary medical facility and that cannot be referred to another VA facility or federal facility as care that would qualify for VCP under the wait-time eligible category.

d. This total includes the 652,080 noncategorized provider agreement authorizations.

The VA defines an episode of care (EOC) as “a necessary course of treatment, including follow-up appointments and ancillary and specialty services, which last no longer than one calendar year from the date of the first appointment with a non-VA health care provider.”38 This one-year Choice EOC period of validity begins when the first appointment is scheduled. VA community care providers may request an authorization extension for a veteran’s current EOC through the veteran’s respective TPA.

38 38 C.F.R. §17.1505.
Appointment Scheduling

Veterans and VCP providers verify eligibility status before scheduling medical appointments for clinical needs. Appointments are to be scheduled on the basis of clinical appropriateness. VCP-eligible veterans are to receive a call from their respective third-party administrator (TPA). The TPAs are to provide veterans with information about the organization and schedule their appointments. Once appointments are scheduled, the contractor is to inform the VA. Emergent or urgent care authorizations are to be done expeditiously (see text box below).

![Emergent and Urgent Care Determination](Image)

After receiving the notification, a veteran’s local VA facility staff are to cancel his or her appointment at the VA. Veterans may also choose to schedule their own appointments after receiving an authorization of care under the VCP. If veterans choose to do so, they are asked to provide their appointment information to the TPA.

Appointment information that is provided to the TPA is to get uploaded into the Contractor Portal, so that it can be viewed by the VA Community Care Coordination staff. Daily, the VA Community Care Coordination staff are to check the Contractor Portal for veterans’ appointment statuses and other updates. After receiving the notification, the veteran’s local VA facility staff are to cancel his/her appointment at the VA.

Medication Process

Veterans may have their prescriptions filled at their local VA pharmacies, non-VA pharmacies, and through the Consolidated Mail Outpatient Pharmacy (CMOP). If the VA is unable to fill a medication request within a prescribed timeframe or one that is not within the VA formulary, a non-VA pharmacy may fill the initial 14-day supply (without refills). For veterans who require prescriptions for more than 14 days, the VCP prescribing clinician is to have the remaining supply of medication filled at a VA pharmacy. Similar to the provisions of health care services under the VCP, medications filled at non-VA pharmacies will also require prior authorizations from the VA.

The VA is to reimburse veterans for out-of-pocket expenses related to the purchase of medications that treat service-connected conditions. For nonservice-connected conditions, veterans may also be reimbursed for their out-of-pocket expenses, including those with other health insurance.

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39 Ibid.

40 Department of Veterans Affairs, “Expanded Access to Non-VA Care Through the Veterans Choice Program,” 80 Federal Register 66424, October 29, 2015.

plans. To be reimbursed, veterans submit a copy of their prescriptions, authorizations, and original receipts to their local VA Community Care Office. The VA also allows non-VA pharmacies to process medication claims on a veteran’s behalf.

**Processing Medical Claims**

Medical claims under the Veterans Choice Program (VCP) are processed through the veteran’s respective third-party administrator (TPA). TriWest uploads and manages veterans’ medical claims through the Contractor Portal. Through this web portal, the VA Community Care Coordination staff are to retrieve a veteran’s documentation of clinical need and upload it in the veteran’s medical records.

The VA community care provider is to submit medical claims to a veteran’s respective third-party administrator. After TriWest receives the claim, the TPA is to submit it through its web portal. Subsequently, the VA is to retrieve the documentation from the TPA’s web portal and upload it in the veteran’s medical records. The VA reimburses the TPAs for the care veterans obtain through the VCP, and the TPA then reimburses the community care providers in their networks. Since 2016, the VA has processed payments to the TPA on an aggregated basis known as “bulk payments.”

Per Federal authority, VA is the primary and exclusive payer for medical care it authorizes. As such, non-VA medical care providers may not bill the Veteran or any other party for any portion of the care authorized by VA. Federal law also prohibits payment by more than one Federal agency for the same episode of care; subsequently any payments made by the Veteran, Medicare, or any other Federal agency must be refunded to the payer [from the VCP provider] upon acceptance of VA payment.

**Medical Services Not Previously Authorized**

Under the VCP, medical claims for unauthorized non-VA health care services may be submitted to the VA for payment consideration. Veterans, VA community care providers, and persons who paid for services on behalf of a veteran are required to submit to the VA the following documentation:

- a standard billing form, or an invoice (i.e., Explanation of Benefits [EOB]), and/or receipt of services paid and/or owed;
- an explanation of the circumstance that led to the veteran receiving unauthorized care outside of the VA;

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46 The standard billing forms for reimbursement include the UB-04 CMS-1450 or CMS-1500.
• any statements and/or supporting documentation;\textsuperscript{47} \textit{and}
• VA Form-10-583, Claim for Payment of Cost of Unauthorized Medical Services.\textsuperscript{48}

**Payments**

**Veterans’ Out-of-Pocket Costs**

Veterans who are enrolled in VA health care do not pay premiums,\textsuperscript{49} deductibles,\textsuperscript{50} or coinsurances\textsuperscript{51} for their medical services. However, they may be required to pay a fixed copayment amount (for nonservice-connected disabilities or conditions) as shown below. When veterans receive care at a VA facility, they do not pay copayments at the time of their medical appointments; copayment rates are determined by the VA after services are furnished—based on if the care was for a service-connected or nonservice-connected condition. Therefore, veterans’ out-of-pocket costs under the VCP are the same as if they were receiving care and services from a VA provider in a VA facility—if a veteran does not pay any copayments at VA health care facilities, the veteran will not have to pay any copayments under the VCP.\textsuperscript{52} For example

• A veteran could pay $50 copayments for a specialty care visit and $15 for a primary care visit for a nonservice-connected disability or condition.
• A veteran in Priority Groups 2 thru 8 could pay a copayment between $5 and $11 per 30-day or less supply of medication.\textsuperscript{53}
• All veterans are exempt from paying copayments for services and medications that are related to a service-connected disability or condition.\textsuperscript{54}

**Cost Shares for Veterans with Other Health Insurance (OHI)**

The VA defines other health insurance (OHI) as commercial insurance. Commercial insurance, often referred to as \textit{private insurance}, is not funded by federal and state taxes. This type of insurance is offered by companies such as Blue Cross and Blue Shield, Aetna, Cigna, and the Kaiser Foundation. Plans purchased through the state health exchanges are also considered as OHI. In addition, veterans who purchase commercial insurance plans agree to cost-sharing

\textsuperscript{47} 38 C.F.R. §17.124.
\textsuperscript{49} An amount paid, by an enrollee or by an employer or a combination of both parties, to an insurer for a beneficiary to enroll in a health insurance plan.
\textsuperscript{50} An amount a beneficiary must pay out of pocket before the health insurance plan begins paying for services.
\textsuperscript{51} A specified percentage a beneficiary pays out of pocket to a provider after meeting any deductible requirements.
\textsuperscript{52} Only veterans in Priority Group 1 (those who have been rated 50% or more service-connected) and veterans who are deemed catastrophically disabled by a VA provider are never charged a copayment, even for treatment of a nonservice-connected condition. For more information, see Department of Veterans Affairs, “Criteria for a Catastrophically Disabled Determination for Purposes of Enrollment,” 78 Federal Register 72576-72579, December 3, 2013.
\textsuperscript{53} The VA categorizes veterans into eight Priority Groups, based on factors such as service-connected disabilities and income (among others). For a detailed summary of eight Priority Groups, see CRS Report R42747, \textit{Health Care for Veterans: Answers to Frequently Asked Questions}.
\textsuperscript{54} 38 C.F.R. §§17.108, 17.110, 17.111.
responsibilities. Such cost-sharing obligations include copayments, deductibles, and coinsurance (e.g., 80/20 rule: 80% insurer responsibility/20% patient responsibility).

Due to various issues related to primary payment responsibility and veterans therefore experiencing adverse credit reporting to credit bureaus or debt collections by collections agencies, Congress enacted P.L. 115-26, which amended P.L. 113-146 and made VA the primary payer for veterans with OHI who seek care for nonservice-connected conditions through the VCP. This change went into effect on April 19, 2017. The VA would coordinate with a veteran’s OHI and recover any costs, and bill the veteran for any copayments that the veteran would be responsible for similar to what they would have paid had they received care within a VA medical facility (see Figure 3). Community care providers or the TPAs are no longer required to collect copays, cost-shares, or deductibles from veterans with OHI. Medicare, Medicaid, or TRICARE are not considered OHI plans under the VCP.

**Figure 3. Coordination and Billing for Nonservice-Connected Care for Veterans with Other Health Insurance (OHI)**

(This process is applicable to medical claims for all services performed after April 19, 2017.)

Source: Figure prepared by CRS based on information from the Veterans Health Administration.

Notes: VHA is Veterans Health Administration. TPA is Third-Party Administrators (Health Net Federal Services and TriWest Healthcare Alliance).

**Provider Payment Methodologies**

Guidance on rates for the delivery of care is outlined in Table 4. As stated before, first, the Veterans Choice Program providers are to receive their reimbursements from the TPA. Then the VA is to reimburse the third-party administrator.55 Eligible VA community care providers who decide to participate under the PC3 network (rather than the Choice network) may incur

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reimbursement rates lower than those of Medicare.\(^{56}\) If these providers move to the Choice network, they may negotiate for a similar rate as contracted under the PC3 Network.

### Table 4. Payment Rates and Methodologies

<table>
<thead>
<tr>
<th>Payment Responsibilities</th>
<th>Episode of Care</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Service-Connected Condition</td>
<td>Nonservice-Connected Condition</td>
</tr>
</tbody>
</table>
| Payment Responsibilities | VA is solely responsible. | • VA is responsible for initial payment. The VA is required to then recover certain costs from the veteran’s Other Health Insurance (OHI)\(^a\)  
 |                         | | • The veteran is responsible only for any copayments as required by the VA and not the veteran’s OHI. |
| Payment Rates            | Rates are not to exceed those in the “Medicare Fee Schedule,” with exceptions in highly rural areas, Alaska, All-Payer Model Agreements, and when there are no available rates. |
| Highly Rural Areas\(^b\) | • Higher rates that exceed the “Medicare Fee Schedule” may be negotiated. |
| Alaska                   | • Rates are computed under 38 C.F.R. §§17.55(j), 17.56(b). |
| All-Payer Model Agreements | • Rates are calculated based on the rates within the agreement. |
| No Available Rates       | • In this, the Secretary will follow the methodology outlined in 38 C.F.R. §§17.55, 17.56. |
| Authorized Care          | Health Net or TriWest, on behalf of the VA, will authorize services. |
|                         | The VA requires that all rendered services delivered to veterans receive prior authorizations. |
|                         | Medical services are delivered by an eligible entity or provider after a veteran chooses to receive care under the Veterans Choice Program. |

Source: 38 C.F.R. §17.1535.

a. On April 19, 2017, P.L. 115-26 made the VA the primary payer for medical care provided for any nonservice-connected condition. The VA was required to recover any costs from veterans’ OHI plans. This removed the requirement that community providers and TPAs bill the veterans’ OHI plans first.

b. A “highly rural area” is defined as a county having fewer than seven individuals residing per square mile.

Veterans and VA community care providers may call the Community Care Call Center\(^{57}\) to discuss billing issues. These issues range from the need to resolve a debt collection to inappropriately billed services.

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\(^{56}\) Department of Veterans Affairs, “Expanded Access to Non-VA Care Through the Veterans Choice Program,” 80 Federal Register 66425, October 29, 2015.

\(^{57}\) Veterans may call the Community Call Center at 1-877-881-7618 from 9 am to 5 pm EST (https://www.va.gov/HEALTHBENEFITS/cost/disputes.asp). Accessed on January 2, 2018.
Appendix A. Veterans Choice Program (VCP) High-Level Work Flow

Figure A-1. High-Level Work Flow of Obtaining Care Through VCP

Source: Figure prepared by CRS based on information from the Veterans Health Administration and Third-Party Administrators.

Notes: This illustration is a high-level linear flow of major steps involved in obtaining care through VCP, and does not show every step of the process.
Appendix B. VA Information Pertaining to the End of the Contract with Health Net

Figure B-1. VA Fact Sheet for Veterans
Health Net Federal Services Contract Close Out

Veterans Fact Sheet

The Department of Veterans Affairs (VA) contract with Health Net Federal Services (HNFS) is ending on September 30, 2018. HNFS is the third-party administrator for the eastern region of the Veterans Choice Program (VCP) and Patient-Centered Community Care (PC3) networks. When the contract with HNFS ends, VA will take over all activity previously performed by HNFS. VA will work with Veterans, community providers, and VA staff to transition care coordination from HNFS to your local VA medical facility as seamless as possible.

The end of VA’s contract with HNFS does not affect VA’s contract with TriWest Healthcare Alliance, which administers the western region of the VCP and PC3 networks. No immediate action is needed on your part. However, if you are requesting care in the community, please contact your local VA medical facility to coordinate all care after September 30, 2018. If you are unaware of whom you should contact, please visit the Facility and Service Locator to find your local facility.

Distance Eligible Veterans

If you are a Distance Eligible Veteran (located outside of 40 miles of the nearest VA medical facility) and need to schedule an appointment in the community after June 30, 2018, please contact your local VA medical facility community care office for authorization and care coordination. If you are unaware of whom you should contact, please visit the Facility and Service Locator to find your local facility.

Frequently Asked Questions

1. Why is the contract with HNFS ending?
   VA’s contract with HNFS is scheduled to end on September 30, 2018 per the contract agreement.

2. Is the VCP program ending?
   The VCP program will continue but the PC3 network will be discontinued on September 30, 2018 for Veterans in the HNFS regions.

3. How do I contact VA to obtain care after September 30, 2018?
   All care delivered after September 30, 2018 will be coordinated through your local VA medical facility.

4. What happens after September 30, 2018 if I already have an appointment scheduled through HNFS?
   HNFS will be issuing updated authorization letters to Veterans and providers with authorizations that extend beyond the contract expiration date to reflect an end date of September 30, 2018. Existing authorizations under the HNFS contract must be completed before the end of the contract. Appointments after September 30, 2018 must be coordinated by a VA medical facility who will work together with your community provider to ensure a seamless transition for care authorization, coordination, billing and payments.

5. Do my providers need to submit my PC3 or VCP claims by September 30, 2018, to be paid for services rendered?
   HNFS will continue to process claims after the September 30, 2018 contract end date. Claims for services on or after Oct. 1, 2018 will be coordinated directly between your community provider and VA. This information has also been communicated to your community provider.

6. Who do I call if I have questions about appointments, authorizations, or billing?
   The VCP customer service lines will remain active and open during normal business hours and can be reached at 1-866-609-8198 (VCP). PC3 customer service lines will remain active and open during normal business hours through September 30, 2018 and can be reached at 1-800-979-9820 (PC3). Appointments after September 30, 2018 will be coordinated through your local VA medical facility.

Source: Department of Veterans Affairs, Veterans Health Administration.
Figure B-2. VA Fact Sheet for VCP Providers

Health Net Federal Services

Provider Fact Sheet

VA’s contract with Health Net Federal Services (HNFS), a third-party administrator for the Veterans Choice Program (VCP) and Patient-Centered Community Care (PC3) networks, is ending and will expire on September 30, 2018. HNFS currently administers the eastern region of VA’s contracted network and performs certain administrative tasks on behalf of VA. When the contract with HNFS ends, VA will take over all activity previously performed by HNFS. VA will work with Veterans, community providers, and VA staff to transition care coordination from HNFS to your local VA medical facility as seamless as possible. The end of VA’s contract with HNFS does not affect VA’s contract with TriWest Healthcare Alliance who administers the western region of the VCP and PC3 networks.

Frequently Asked Questions

1. **If I signed a VCP provider agreement, can I continue to treat Veterans?**
   Community providers who are (or will be) using a VCP provider agreement to provide care to Veterans will work directly with VA medical facilities for care coordination and billing. All new authorizations for former HNFS regions will now be authorized by the VA medical facility. VA will contact you concerning continued participation in Veteran care through VCP provider agreements. If you would like to see more information on this program, please visit the Office of Community Care.

2. **I have an authorization from HNFS for PC3/VCP services with an end date of November 1, 2018; will that be honored?**
   No, HNFS is in the process of adjusting existing authorizations that extend beyond the contract expiration date of September 30, 2018 to reflect an end date of September 30, 2018. HNFS will be issuing updated provider packets or authorization letters in the coming weeks. Please review these carefully to avoid unexpected claim denials as HNFS will be unable to provide remuneration for services that occur after September 30, 2018. Continued care authorization and re-scheduling of appointments on or after October 1, 2018, will transition to the local VA medical facility’s community care office.

3. **Do I need to submit PC3/VCP claims by September 30, 2018 to be paid for services rendered?**
   Providers will have 90 calendar days (PC3) and 120 calendar days (VCP), from the date of service to submit claims for covered services rendered up through September 30, 2018, to HNFS for payment. Claims for services on or after October 1, 2018, will be coordinated directly through VA.

4. **What if a Veteran has an appointment scheduled by HNFS after September 30, 2018?**
   Existing appointments under the HNFS contract will be completed before the end of the contract. Appointments after September 30, 2018 must be coordinated by a VA medical facility. VA medical facilities and community providers will work together to ensure a seamless transition for care authorization, coordination, billing and payments.

5. **How will outstanding claims already submitted to HNFS be paid after September 30, 2018?**
   HNFS will follow contractual obligations and guidelines for claims processing and will process clean claims submitted for authorized services rendered on or before September 30, 2018. VA will continue to work collaboratively with HNFS to ensure providers receive prompt and timely payments during this period of transition.

6. **Who do providers call to check payment status on claims after Sept. 30, 2018?**
   The VCP customer service lines will remain active and open during normal business hours and can be reached at 1-866-606-8108 (VCP). HNFS PC3 customer service lines will remain active and open during normal business hours through Sept. 30, 2018 and can be reached at 1-800-679-9620 (PC3). As of Oct. 1, 2018, HNFS will have a new customer service line for both PC3 and VCP for providers to reach HNFS directly regarding authorizations and claims for services prior to Sept. 30, 2018. You can continue to check claim status and history at www.Availity.com.

Source: Department of Veterans Affairs, Veterans Health Administration.
VA’s contract with Health Net Federal Services (HNFS), a third-party administrator for the Veterans Choice Program (VCP) and Patient-Centered Community Care (PC3) networks, is ending and will expire on September 30, 2018. HNFS currently administers the eastern region of VA’s contracted network and performs certain administrative tasks on behalf of VA.

The end of VA’s contract with HNFS does not affect VA’s contract with TriWest Healthcare Alliance, which administers the western region of the VCP and PC3 networks.

### Referrals and Authorizations
- Local VAMC staff will issue referrals/authorizations directly to providers though the creation of a 10-0366A for provider agreements or 7078/7079 in the Fee Basis Claims System (FBCS) for individual authorizations.
- Standardized Episodes of Care (SEOC) are not required for provider agreements or individual authorizations until facilities begin to utilize the Health Share Referral Management (HSRM) software for referrals and authorizations.

### Provider Agreements
- Facilities that currently utilize HNFS for “Choose eligible” community care coordination need to transition to VCP provider agreements as the preferred method of authorizing Veterans care in the community. Facilities should evaluate their current VCP provider agreement network and determine if additional outreach is needed.

### Care Coordination
- After the HNFS contract ends, Veterans can expect closer care coordination between VA medical facilities and their community providers because authorizations, care coordination, billing and payments will be managed directly between VA and the Veteran’s community care provider, this includes distance eligible Veterans.
- Local contracts or individual authorizations should be considered for Veterans who were previously sent to HNFS under the PC3 contract and where the care is not eligible to be purchased under VCP. Facilities should evaluate their current VCP provider agreement network and determine if additional provider agreements are needed.

### Distance Eligible Veterans (DEV) Care Coordination
- After June 30, 2018 community care for DEVs will be coordinated by their local VA medical facilities. If the Veteran only uses community providers for their primary care needs, ensure future care is rendered through provider agreements or individual authorizations. If the Veteran has a VA PCP, ensure they still have a VA provider and access to appointments.

### Customer Experience
- VA medical facility staff will directly manage Veteran touchpoints for customer service while HNFS will continue to support community provider regarding billing inquiries.
- Local VA facility community care staff will collaborate directly with community care providers to ensure customer service processes are efficient, timely, and effective.
Frequently Asked Questions

1. Why is the contract with HNFS ending?
   VA’s contract with HNFS is scheduled to end on September 30, 2018 per the contract agreement.

2. Why is the contract ending with HNFS, but not with TriWest?
   No determination has been made with respect to VA’s contract with TriWest. Care, claims and payment activity being performed by TriWest is different than that of HNFS.

3. What if a Veteran has an appointment scheduled by HNFS after September 30, 2018?
   Existing appointments under the HNFS contract will be completed before the end of the contract. Appointments after September 30, 2018 must be coordinated by a Veterans VA medical facility. VA medical facilities and community providers will work together to ensure a seamless transition for care authorization, coordination, billing and payments.

4. How will outstanding claims already submitted to HNFS be paid?
   VA will continue to work with community providers who have already submitted claims to HNFS to ensure payment. Community providers can contact provider_relations@va.gov for assistance, or visit https://www.va.gov/COMMUNITYCARE/providers/info_payments.asp for more information. Community providers who are (or will be) using a VCP Provider Agreement to provide care to Veterans through the VCP will work directly with the VA medical facility when submitting claims for authorized care.

5. Who do Veterans call if they have questions about appointments, authorizations or billing?
   After September 30, 2018 all questions will be addressed by local VA medical facilities.

6. Will the transition from using HNFS to VCP Provider Agreements result in additional workload for VA medical facilities, and possible delays in care?
   VA has already been using VCP provider agreements and expects the transition from HNFS to enhance the timeliness of care provided to Veterans, reduce current administrative workloads, and improve timeliness of claims processing and payments.

7. How will Veterans be notified that the HNFS contract is ending?
   A letter was mailed to Veterans on July 16, 2018 by HNFS to inform them the contract is ending and to explain what they do after September 30, 2018.

8. How will community care providers be notified that the HNFS contract is ending?
   A letter was mailed to providers on July 16, 2018 by HNFS to inform them the contract is ending and to explain what they do after September 30, 2018.

Source: Department of Veterans Affairs, Veterans Health Administration.
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