Choice Consolidation: Improving VA Community Care Billing and Reimbursement

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STATEMENT OF
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UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON HEALTH

WITH RESPECT TO

Choice Consolidation: Improving VA Community Care Billing and Reimbursement

WASHINGTON, D.C.

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On behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliary, thank you for the opportunity to offer our thoughts on the Department of Veterans Affairs' (VA) plan to consolidate its community care programs.

The VFW strongly believes that veterans have earned and deserve timely access to high quality, comprehensive, and veteran-centered health care. That is why we have made a concerted effort to evaluate the state of the VA health care system through proactive outreach to veterans and have worked closely with VA, Congress, and other stakeholders to implement reasonable solutions to issues we have identified.

In an effort to evaluate the Choice Program, the VFW has collected direct feedback from more than 12,000 veterans through surveys and direct requests for assistance through our national helpline (1-800-VFW-1899) and our general inquires email (vfw@vfw.org). Through this work we have identified several concerns with the Choice Program, including participation, eligibility, availability, scheduling, information technology (IT) system, and improper billing issues. For more information on our work and to read our latest reports on the Choice Program and the VA health care system, please visit the VFW's VA Health Care Watch website at: www.vfw.org/VAWatch/. Given the focus of today's hearing, I will limit my remarks to IT and improper billing issues.

The VFW has heard from too many veterans that the community care provider they choose to use through the Choice Program has billed them for the cost of their care. While the VFW understands that some veterans are required to pay cost shares, it is unacceptable that any veteran is billed for care that VA is required to furnish. The most common billing complaint we have heard is when a veteran is authorized to use the Choice Program for a specific medical issue or treatment, but requires follow up care that is outside of the scope of the original authorization.

In these cases, the veteran's doctor is required to submit a request for additional services and the program's contractors (Health Net or TriWest) must work with VA to get the additional services authorized before the care can be delivered. This is where the program often fails veterans. At times the care is not authorized before a veteran arrives at his or her follow up appointment, so the veteran is required to either reschedule or assume liability for the care. In most cases, veterans reschedule the appointment and are forced to wait for the care they need because VA is unable to authorize it fast enough.

In some instances the veteran arrives at his or her follow up appointment and is unaware the care has not been authorized by VA. Given that private sector providers are not completely certain how the Choice Program works, many times they are also unaware that VA may not cover the cost of the appointment. This perfect storm typically results in a veteran being held liable for the cost of the appointment despite being eligible for care through the Choice Program.

For example, a veteran in Saginaw, Michigan, was authorized to use the Choice Program as a 40-miler. He contacted the Choice call center and was referred to an ophthalmologist for a vision exam. His ophthalmologist prescribed him a treatment to save the vision in one of his eyes. Since the ophthalmologist was unable to administer the treatment, he referred the veteran to a nearby clinic where he received four courses of treatment before the clinic informed him that VA refused to pay his bill and that he would need to pay his outstanding balance before he could continue his treatment. After evaluating his case, we were able to determine that his ophthalmologist failed to submit a request for additional services. Since his treatment at the clinic was beyond the scope of the original authorization, Health Net was unable to retroactively authorize the veteran's care. The VFW is working to resolve this veteran's case, but we were able to have his treatments reinstated while we find a way to have his $1,500 bill paid.

It is unacceptable that veterans are forced to wait for their care because VA is unable to authorize their care in a timely manner. It is also unconscionable that a veteran can be held liable for the cost of his or her appointment because of a process error the veteran has no ability to control. That is why the VFW urges Congress to authorize VA to make common sense exemptions to Choice payment requirements, which includes being able to retroactively authorize care when a process error occurs. VA must also empower its employees and the program's contractors to make such exemptions when it is in the best interest of a veteran's health.

The VFW also believes that it is time to move away from authorization based community care. In the Independent Budget's "*A Framework for Veterans Health Care Reform,"* the VFW and our Independent Budget partners call for an integration of community care and VA care that would do away with the need for pre-authorizing every episode of care a veteran receives from community care providers. Currently, VA uses community care as a safety valve to alleviate the pressure on its health care facilities when VA care is not readily available. Instead, VA should leverage the capabilities of the providers in the local community, including private and public sector providers, to ensure veterans have timely access to high quality, comprehensive and veteran-centric health care options without the authorization barrier the currently exists. The VFW agrees with VA's plan to create high performing networks tailored to each health care market.

However, the VFW believes that network providers should be considered an extension of VA health care, regardless if it is a private or public sector provider. In doing so, VA would treat community providers as it does different clinics within a VA medical center. When a veteran is sent to an ophthalmology clinic for an eye exam, that ophthalmology clinic is authorized to carry out any needed treatment without having to seek authorization from the veteran's primary care provider. Similarly, a network provider must have the ability to provide the care a veteran needs without having to cut through bureaucratic red tape. It is also important that veterans have the ability to receive follow up care at a VA medical facility

when clinically appropriate and convenient. Currently, a community care provider is unable to refer patients to a VA clinic for follow up care.

In speaking to private sector providers and Choice Program contractors, the VFW has learned that providers are sometimes responsible for delayed payments. The "Veterans Access, Accountability and Choice Act of 2014" made payment to Choice providers contingent on the return of medical documentation. This means that a provider will not get paid for the cost of an appointment if that provider does not transmit the accompanying medical documentation with the bill to the program's contractor. Private sector providers are not accustomed to having to report medical documentation before receiving payment. As a result, some of them will bill a veteran before sending VA or the program's contractors the requisite medical records. To address this issue, VA has proposed decoupling medical documentation from payment. This would enable VA to pay the cost of an appointment without receiving the requisite medical documentation for the appointment.

While the VFW understands the need to enable VA to quickly pay community care providers, we believe this can be achieved without decoupling medical documentation and payment. VA must do what is necessary to ensure the care veterans receive through community providers is equal to or higher quality than the care veterans receive at VA medical facilities. To do so, VA must integrate medical records from community care appointments into a veteran's VA electronic health record (EHR). However, VA must first receive the medical record from community providers. The VFW is concerned that decoupling medical records and payment would remove the incentive for community care providers to send medical records to VA. When medical records are not returned, VA is unable to evaluate the care veterans received from community providers or verify whether the veteran received care at all.

For example, in an Office of Inspector General (OIG) inspection of access issues in the Urology Service at the Phoenix VA Health Care System, the OIG found that 759 urology consults sent to community care providers were "lost to follow-up" because the OIG was unable to locate any evidence in affected veterans' EHRs to validate whether they had been seen by a community care provider. Missing information precluded the OIG from properly assessing the quality of care these patients received from community providers.

In speaking to Choice providers and the program's contractors, the VFW has learned that the delay in reporting medical documentation is often due to the arduous reporting requirements VA places on Choice providers. Furthermore, the VFW has heard from providers that information VA requires them to report with medical records is not required by other programs, such as Medicare, and is not necessary to ensure quality of care. VA must ensure that the requirements it places on private sector providers are needed to ensure quality, not needless bureaucratic reporting requirements. That is why the VFW recommends that VA evaluate the reporting requirements placed on network and VA

providers to identify and eliminate excess reporting requirements that are not necessary to ensure quality, including statutory reporting requirements that must be sunset.

The VFW also learned that many Choice providers receive and send medical information through fax. While the VFW understands the need to protect medical information, there is no reason why, in the 21st century, VA is relying on fax to transmit medical records. VA must develop IT solutions to facilitate a seamless integration of health records between its medical facilities and their private and public sector partners. Congress must ensure VA has the resources necessary to develop IT solutions for its community care programs.

When private sector providers do not have an EHR to integrate with the Veterans Information Systems and Technology Architecture (VistA), VA must authorize and train Choice providers to use VistA. This would serve to incentivize providers without an EHR to join VA's Choice networks and would also ensure veterans receive fully integrated and coordinated health care within community care networks. Congress must also authorize VA to share its IT programs with network providers.

In evaluating the Choice Program, the VFW found that private sector providers are often reluctant to participate in the Choice network because of misconceptions about the Choice Program. The VFW believes this is due to a lack of outreach and training from VA and the program's contractors. While VA and the Choice contractors have made a concerted effort to properly train their employees, they have not made the same effort to ensure community care providers are aware of program requirements and changes. For example, the VFW has heard from several private sector providers that they cannot participate in the Choice Program because VA pays below Medicare. This is not true — Choice providers are paid at the Medicare rate. In some instances VA is even authorized to pay above the Medicare rate. Moving forward, VA must conduct outreach to private sector providers to eliminate misconceptions and ensure private sector providers are made aware of how they can partner with VA.

As this Subcommittee continues to evaluate VA's plan to consolidate its community care programs, the VFW will continue to ensure the voice, preference, and health care needs of veterans are prioritized and ensure VA health care reforms serve the best interest of our nation's veterans.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you or the Subcommittee members may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2016, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.