



**Department of
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News Release

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VA Announces Use of Standard Payment Rates for Some Non-VA Care

WASHINGTON – The Department of Veterans Affairs (VA) announced today it will begin using Medicare’s standard payment rates for certain medical procedures performed by non-VA providers on Feb. 16, 2011.

“This regulation will have no impact on the Veterans we care for,” said VA Under Secretary for Health Dr. Robert A. Petzel. “VA will now have the ability to better plan budgets and place more money into access to health care for the Veterans that VA is honored to serve.”

The new adjustment was made in federal regulations and will affect the following treatments VA provides to Veterans through contracted care: ambulatory surgical center care, anesthesia, clinical laboratory, hospital outpatient perspective payment systems, and end stage renal disease (ESRD).

Veterans who are eligible for care will continue to receive the uninterrupted care they need and have earned. Non-VA doctors and facilities will still get paid for services they provide to eligible Veterans but at rates set by the Centers for Medicare and Medicaid Services (CMS) Prospective Payment Systems (PPS) and Fee Schedules. Existing contracts will not be affected and the rule allows for new contracts using the new rates.

Savings of approximately \$1.8 billion over five years will allow VA to continue to invest in such innovative programs as a wearable artificial kidney, home dialysis and expanding access through stand-alone clinics.

“Adopting CMS pricing methodology for these schedules and services will allow VA medical centers to use their resources more efficiently to meet Veterans’ needs,” said Gary Baker, VA’s health administration chief business officer. “The adoption of Medicare rates will help ensure consistent, predictable medical costs, while also helping to control costs and expenditures.”

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Standard Payment Rates 2/2/2/2

The pricing methodology changes are a result of a rule change to 38 CFR 17.56, the federal regulation that governs VA when paying medical claims for Veterans treated in community facilities. The proposed rule was published on Feb. 18, 2010 and was opened for public comment April 19, 2010. The congressional review period for the final rule begins Dec. 17 and lasts 60 days.

VA is providing written notifications to Veterans and non-VA providers. As additional information becomes available, it will be posted to the VA's "Non-VA Purchased Care" Web site, www.nonvacare.va.gov.

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