

CHAMPUS/VA Agreement

Chapter 21

I. DEPARTMENT OF VETERANS AFFAIRS AND DEPARTMENT OF DEFENSE HEALTH CARE RESOURCES SHARING

A. General

Agreements between the Department of Veterans Affairs (VA) and the Department of Defense (DoD) to enable DoD beneficiaries to use certain VA Medical Centers (VAMCs) on a space available basis are authorized by [Section 811](#) of 38 U.S.C. and Title II of Public Law 102-585. Only VA Hospitals with signed agreements will be included in this program. See the Policy Manual, [Chapter 10, Section 1.1](#), which includes the MOU for the policy concerning this program. Contractors processing claims submitted from the VAMCs shall continue to use the usual claims processing procedures to include medical necessity, EOBs, OHI and TPL. VAMCs shall be subject to the same Utilization Management and Quality Assurance requirements applicable to other network providers. The Contractor shall ensure that all Department of Veterans Affairs Health Care Finders (DVAHCF) institutional and individual professional providers are properly trained in and comply with the provisions of [TRICARE](#) quality and utilization management programs. The effective date for [TRICARE](#) coverage of service provided by a network VAMC is determined by the agreement between the contractor and the VAMC. Only services furnished on or after the effective date will be considered for [TRICARE](#) payment.

B. Contractor Responsibilities

1. Certification of VA Medical Centers

VAMCs participating as network providers shall be recognized as authorized [TRICARE](#) providers, dependent upon their being JCAHO approved or meeting the waiver criteria of the Managed Care Support Contractors for network providers. The contractor shall assign the VAMC a [TRICARE](#) unique provider number which will identify the claim as a [TRICARE](#) claim and the provider as the VAMC.

2. Certification of Individual Professional Providers

Individual providers shall not be certified since all claims will be submitted by the VAMC. Individual providers who meet VA requirements will be deemed to meet [TRICARE](#) requirements. When billing for professional services, the VAMC will furnish the specialty of the providers. The contractor shall create provider records in accordance with the [ADP Manual](#).

3. Claims Processing

a. Identification of Claims

All claims will be submitted by the VAMC and shall be processed as participating claims even if not so indicated on the claim form. Any beneficiary submitted claims for care received at the VAMC shall be denied using the [EOB](#) message: "Claims must be filed by the VA Medical Center."

b. Reimbursement**(1) General**

Reimbursement shall be based on a percentage discount off the CMAC, the state prevailing, DRG, or other methodology such as per diems for all types of services. Cost-shares and deductibles will be withheld prior to payment being made directly to the VAMC. The Managed Care Support Contractor will negotiate reimbursement rates with the VAMC.

(2) Pharmacy Drug Claims

Pharmacy drug claims will be processed in accordance with the guidelines in Policy Manual, [Chapter 7, Section 7.1](#), however, there will be no discount applied to pharmacy drugs. The VAMC shall bill for outpatient prescriptions and prescription refills written for each *thirty (30)* day supply (or fraction thereof) at VAMC's costs for the prescription items plus a reasonable fee to cover VAMC's dispensing costs. *The VAMC will be reimbursed based on:*

- (a)** *the billed charge or,*
- (b)** *the TRICARE allowable charge, whichever is less.*

(c) In addition, the VAMC shall collect copayments consistent with the Managed Care Support Contract requirements. *The amount of copayment shall be deducted from the lower of (a) or (b), above.*

NOTE:

Inpatient prescriptions, including those filled at discharge, will be included in the DRG bill and, as such, are not subject to a separate prescription reimbursement or copayment.