April 11, 2018

Private Health Care and Veterans Affairs, Explained

Following his removal from the position by President Donald Trump, former Veterans Affairs Secretary David Shulkin wrote an editorial in The New York Times alleging that his ouster is part of a broader push by the administration to privatize VA health services.

The department pays for private health care for veterans in certain circumstances — most notably through the Veterans Choice Program, established in 2014 in response to revelations that VA providers were manipulating wait-time statistics. However, the program's supporters reject the idea that it amounts to "privatization" of the VA. Some lawmakers have proposed further expanding the role of private providers, citing the program's success.

How the Veterans Choice Program Works

Veterans facing delays or other obstacles can request private services

Veterans can access private care through the Veterans Choice Program only if care through a traditional VA facility is unavailable.

The specific criteria for determining whether a veteran qualifies are spelled out by statute, with little room for interpretation. In most cases, veterans qualify based on the time they would need to wait for an appointment. Once VA staff approves a veteran's request based on these criteria, the staff arranges for one of the program's third-party administrators to contact the veteran and inform them of their options.

Authorizations for private care, 2014 to 2017



Wait-time based	Distance-based
3,524,391 authorizations	499,699

Veterans in need of private care are connected with providers by third-party administrators

Medical care under the Veterans Choice Program is managed by one of two private third-party administrators — TriWest or Health Net — depending on the region in which the veteran resides.

The third-party administrators distribute VCP enrollment cards and manage call centers, counseling services and appointments with providers. Once a veteran receives authorization for VCP, they can also choose to schedule their own appointments so long as they share the information with their third-party administrator.

The administrators also oversee the program's private providers, including billing and the coordination of care with private insurers. Once VCP care is scheduled, the administrator informs local VA staff, and the previously scheduled VA appointment is canceled.

Providers report services and billing to the third-party administrators

Once a veteran has received VCP care, the provider submits the veterans' medical claims to the third-party administrator, and the administrator then uploads the claims to a web portal for inclusion in the veteran's VA medical records.

VA then reimburses the third-party administrator, and the administrator reimburses the provider. Providers cannot charge veterans any additional fees for VA-authorized care. If care is provided without prior VA authorization, veterans and providers are required to submit paperwork explaining the circumstances if they are seeking VA reimbursement.

Qualifying reasons a veteran could be eligible for private care

WAIT TIME



A veteran is eligible for VCP care if a local VA facility informs them that an appointment cannot be scheduled within **30 days** of the date they wish to be seen, or within 30 days of the clinically determined date their provider indicates they need to be seen.

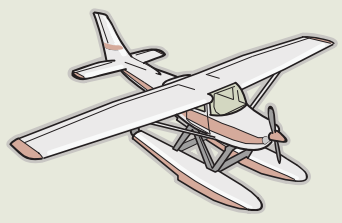
DISTANCE



If a veteran lives **40 miles** or more from a VA medical facility, they can qualify for VCP care.

This distance is based on the actual route the veteran would travel, rather than a straight-line measurement. Veterans in Alaska, Hawaii, and U.S. territories can automatically qualify.

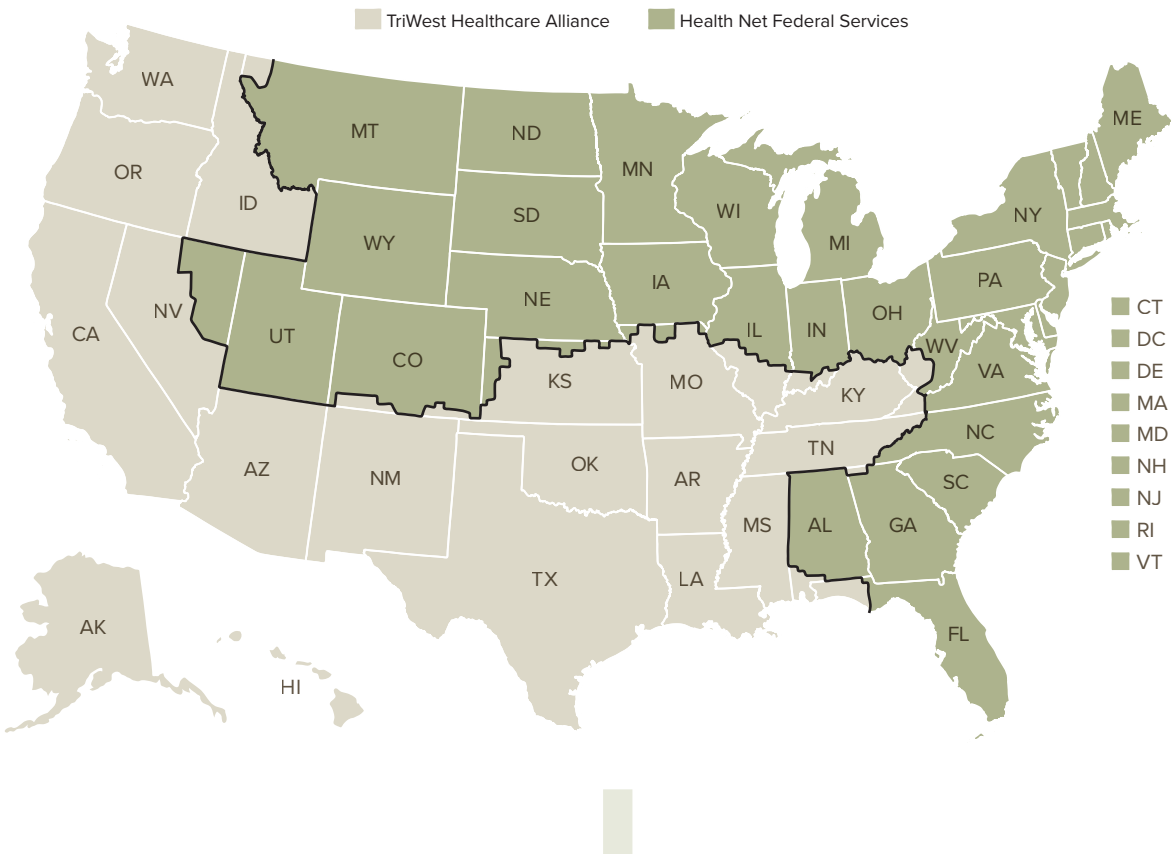
OTHER BARRIERS



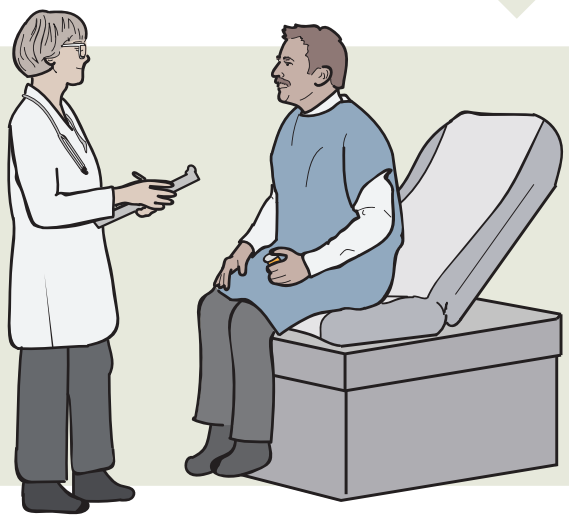
A veteran can also qualify for VCP care if they would need to travel by air, boat or ferry to visit their local VA facility.

Other burdens, including medical conditions that limit travel and environmental factors, can also qualify a veteran for VCP care.

Private administrators for Veterans Choice Program regions



Requirements for Veterans Choice Providers:



- Full, current and unrestricted state license and VA credentials
- Not named on the CMS exclusionary list
- Meet all conditions for Medicare participation and coverage
- Accept Medicare or Medicare payment rates
- Submit all medical records to VCP third-party administrators

Some Lawmakers Want to Expand Private Options at Veterans Affairs

When the Veterans Choice Program was established in 2014, lawmakers originally pitched it as a temporary fix. The program was provided with $10 billion in funding, and the law specified that the program would end when funds ran out. However, Congress subsequently extended the program, added more than $4 billion to the account and lawmakers from both parties have sought to make the program permanent.

Bipartisan efforts have resulted in two similar bills, known as the **VA Care in the Community Act** in the House and the **Caring for Our Veterans Act** in the Senate. In late 2017, the Senate version passed out of committee 14-1, while the House version passed out of committee on a 14-9 party-line vote. Both bills would combine the Veterans Choice Program with other similar VA programs into a single permanent program, with the department playing a more central role in coordinating care and managing contracts with private providers.

A third bill crafted by House Republicans, the **Veterans Empowerment Act**, would go further by transferring existing VA facilities to a newly chartered nonprofit corporation that operates outside of the VA. Veterans could also opt-out of traditional VA coverage and purchase private health insurance with federal subsidies based on their income and VA priority status.

Select comparisons between proposals to reform private VA care and current law

YES / NO	CURRENT LAW	VA CARE IN THE COMMUNITY ACT	VETERANS EMPOWERMENT ACT
Veterans must meet certain criteria to qualify for private care	Subject to specific statutory requirements	VA has more flexibility to interpret those criteria	Any veteran can opt to receive non-VA care and insurance
Existing VA facilities controlled by the Veterans Affairs Department	**YES**	**YES**	Facilities transferred to a chartered nonprofit corporation
VA directly manages contracts with private providers	Contracts largely managed by third-party administrators	VA manages its own network of private providers	Network managed by the nonprofit corporation or insurers

Sources: Department of Veterans Affairs; Congressional Research Service, "The Veterans Choice Program: Program Implementation"

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