



## DEPARTMENT OF VETERANS AFFAIRS

Reasonable Charges for Inpatient MS-DRGs and SNF Medical Services; V3.11,  
2013

Fiscal Year Update

AGENCY: Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: Section 17.101 of Title 38 of the Code of Federal Regulations sets forth the Department of Veterans Affairs (VA) medical regulations concerning “Reasonable Charges” for medical care or services provided or furnished by VA to a veteran:

- For a nonservice-connected disability for which the veteran is entitled to care (or the payment of expenses of care) under a health plan contract;
- For a nonservice-connected disability incurred incident to the veteran’s employment and covered under a worker’s compensation law or plan that provides reimbursement or indemnification for such care and services; or
- For a nonservice-connected disability incurred as a result of a motor vehicle accident in a State that requires automobile accident reparations insurance.

The regulations include methodologies for establishing billed amounts for the following types of charges: acute inpatient facility charges; skilled nursing facility/sub-acute inpatient facility charges; partial hospitalization facility charges; outpatient facility charges; physician and other professional charges, including professional charges for anesthesia services and dental services; pathology and

laboratory charges; observation care facility charges; ambulance and other emergency transportation charges; and charges for durable medical equipment, drugs, injectables, and other medical services, items, and supplies identified by Healthcare Common Procedure Coding System (HCPCS) Level II codes. The regulations also provide that data for calculating actual charge amounts at individual VA facilities based on these methodologies will either be published in a notice in the Federal Register or will be posted on the Internet site of the Veterans Health Administration (VHA) Chief Business Office, currently at <http://www1.va.gov/CBO/apps/rates/index.asp>, under “Reasonable Charges Data Sources.” Certain charges are hereby updated as described in the Supplementary Information section of this notice. These changes are effective October 1, 2012.

When charges for medical care or services provided or furnished at VA expense by either VA or non-VA providers have not been established under other provisions of the regulations, the method for determining VA’s charges is set forth at 38 CFR 17.101(a)(8).

FOR FURTHER INFORMATION CONTACT: Romona Greene, Chief Business Office (10NB6), Veterans Health Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC 20420, (202) 461-1595. (This is not a toll free number.)

SUPPLEMENTARY INFORMATION: Of the charge types listed in the Summary section of this notice, only the acute inpatient facility charges and skilled nursing

facility/sub-acute inpatient facility charges are being changed. Charges are not being changed for: partial hospitalization facility charges; outpatient facility charges; physician and other professional charges, including professional charges for anesthesia services and dental services; pathology and laboratory charges; observation care facility charges; ambulance and other emergency transportation charges; and charges for durable medical equipment, drugs, injectables, and other medical services, items, and supplies identified by HCPCS Level II codes. These outpatient facility charges and professional charges remain the same as set forth in a notice published in the Federal Register on December 12, 2011 (76 FR 77328).

Based on the methodologies set forth in 38 CFR 17.101(b), this document provides an update to acute inpatient charges that were based on 2012 Medicare severity diagnosis related groups (MS-DRGs). Acute inpatient facility charges by MS-DRGs are set forth in Table A and are posted on the Internet site of the VHA Chief Business Office, currently at <http://www1.va.gov/CBO/apps/rates/index.asp>, under "Reasonable Charges Data Tables." This Table A corresponds to the Table A referenced in the September 28, 2011, Federal Register Notice. Table A referenced in this notice provides updated charges based on 2013 MS-DRGs and will replace Table A posted on the Internet site of the VHA Chief Business Office, which corresponds to the Table A referenced in the September 28, 2011, Federal Register notice.

Also, this document provides for an updated all-inclusive per diem charge for skilled nursing facility/sub-acute inpatient facility charge using the methodologies set forth in 38 CFR 17.101(c), and it is adjusted by a geographic

area factor based on the location where the care is provided (See Table “N” Acute Inpatient and Table “O” SNF geographic factors found on the Web site under “Reasonable Charges Data Tables”). The skilled nursing facility/sub-acute inpatient facility per diem charge is set forth in Table B and is posted on the Internet site of the VHA Chief Business Office, currently at <http://www1.va.gov/CBO/apps/rates/index.asp>, under “Reasonable Charges Data Tables.” This Table B corresponds to the Table B referenced in the September 28, 2011, Federal Register Notice. Table B referenced in this notice provides updated all-inclusive nationwide skilled nursing facility/sub-acute inpatient facility per diem charge and will replace Table B posted on the Internet site of the VHA Chief Business Office, which corresponds to the Table B referenced in the September 28, 2011, Federal Register notice.

The charges in this update for acute inpatient facility and skilled nursing facility/sub-acute inpatient facility services are effective October 1, 2012.

In this update, we are retaining the table designations used for acute inpatient facility charges by MS-DRGs which is posted on the Internet site of the VHA Chief Business Office, currently at <http://www1.va.gov/CBO/apps/rates/index.asp>, under “Reasonable Charges Data Tables.” We also are retaining the table designation used for skilled nursing facility/sub-acute inpatient facility charges which is posted on the Internet site of the VHA Chief Business Office, currently at <http://www1.va.gov/CBO/apps/rates/index.asp>, under “Reasonable Charges Data Tables.” Accordingly, the tables identified as being updated by this notice

correspond to the applicable tables referenced in the September 28, 2011, notice, beginning with Table A through Table B.

The list of data sources presented in Supplementary Table 1 will be posted on the Internet site of the VHA Chief Business Office, currently at <http://www1.va.gov/CBO/apps/rates/index.asp>, under “Reasonable Charges Data Sources” to reflect the updated data sources used to establish the updated charges described in this notice.

We have also updated the list of VA medical facility locations. As a reminder, in Supplementary Table 3 posted on the internet site of the VHA Chief Business Office, currently at <http://www1.va.gov/CBO/apps/rates/index.asp>, under “VA Medical Facility Locations,” we set forth the list of VA medical facility locations, which includes the first three digits of their ZIP Codes and provider-based/non-provider-based designations.

Consistent with VA’s regulations, the updated data tables and supplementary tables containing the changes described in this notice will be posted on the Internet site of the VHA Chief Business Office, “Reasonable Charges (Rates) Information” page currently at <http://www1.va.gov/CBO/apps/rates/index.asp>.

Approved: August 30, 2012

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John R. Gingrich, Chief of Staff,  
Department of Veterans Affairs.

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