

# Discussion with the Office of Management and Budget (OMB) on Proposed Rule 2900-AN37

Payments for Outpatient Care and Health Care Professional Services at Non-Departmental Facilities

November 16, 2010

## Topics for discussion

- Update on VA negotiated contracts and agreements
- Impact of proposed rule on access
- Complexity of making accurate payments under the new CMS ESRD bundled payment system

# VA contracts

- VA has awarded nation-wide negotiated contracts and agreements that establish fixed rates and terms
  - 8 VISN contract (October 2009, first option year exercised October 2010)
  - 11 VISN Basic Ordering Agreement (BOA) (July 2010, first renewal year exercised October 2010)
- Significant majority of VHA facilities are now contracted
- VA has achieved substantial savings through these contracts

# Payment Complexity

- New CMS ESRD payment system will go into effect 1/1/2011
- Methodology is much more complex than current Medicare payment structure
- VA will need proper infrastructure to ensure accurate payments
  - CMS has spent years preparing for new methodology
  - Other payors acknowledge inability to pay accurately under methodology
  - High risk of improper payments
- VA underpayments for prior years remain outstanding
- Payments under negotiated contracts and agreements have increased accuracy and improved timeliness