

The VA - Veterans Health Administration (VHA) is one of the world's largest health care delivery organizations. As part of an integrated strategy to provide Veterans with timely access to quality health care services, VA healthcare facilities are authorized to pay for health care services acquired from Non-VA health care providers. These services may be provided to eligible Veterans from Non-VA health care providers when VA determines medically necessary services are not available from VA on a timely basis, in an emergency, or when VA or other Federal facilities are not feasibly available. VA manages the authorization, claims processing, and reimbursement for services acquired from Non-VA health care providers through the Purchased Care Program.

The Purchased Care Non-VA Care (Fee Basis) Program has seen exponential growth in the past five years, from \$3.8B in annual expenditures to an excess of \$4.8B in FY13. Until recently, these services were managed utilizing a VistA Fee Basis software product, which was initially developed twenty five years ago. It has had few updates towards modernization and could not accept the industry standard Electronic Data Interchange (EDI) transaction set which meant staffs were required to manually enter every request for payment. Given the huge financial impact of the program, this manual processing represented a significant financial vulnerability in addition to a significant work burden.

To address the identified problems, the VHA Chief Business Office (CBO), for Purchased Care has developed a comprehensive set of requirements to outline a vision for the future state of the Purchased Care Program. In order to meet the long term business requirement, VA will need to execute full business process re-engineering, move to a one claim processing system, and make the organizational changes necessary to support these program requirements. The CBO is managing multiple programmatic changes to meet both long-term needs as well as interim requirements in both care coordination and claims processing. Claims processing covers the efficient processing, payment or denial of health care claims submitted by Non-VA providers to include assurance that systems are in place to accurately adjudicate and pay claims. In order to meet the long term vision, the CBO has partnered with the VA FSC to develop a centralized Healthcare Claims Processing (HCP) system. HCP will first be deployed to Indianapolis in Q2FY14, followed by incremental updates, and finally a complete national deployment by the end of 2015.

The current integration of multiple VistA functionalities for Non-VA claims processing and referral/authorization is not sufficient to assure that appropriate estimation and obligation information is current, transparent and available for decision making during Non-VA referral/authorization and claims processing.