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National Veterans Affairs and Rehabilitation Commission

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Fact Sheet Third Party Billing March 2010

In a continuing effort to identify veterans whose third-party insurances are being billed for their service connected medical centers, the National VA&R Division is providing Departments with a fact sheet to address service connection, the Department of Veterans Affairs (VA) authorization for third-party billing and repayment option plans.

Service Connection

Service Connection (SC) refers to the Veterans Benefits Administration (VBA) determination

VBA establishes a degree of disability for each SC condition represented by a percentage. A veteran may have more than one adjudicated SC condition. If the primary rated condition worsens over time, encourage the veteran to contact The American Legion Department Service Officer (DSO) in their site.

The Department of Veterans Affairs (VA) has the authority to bill health insurance companies for health care provided to NON-service connected veterans who have private health insurance as well as service connected veterans treated for non-service conditions. VA can also collect copayments from non-service connected veterans based on income.

If a veteran has a 50 or greater percent service connection, the veteran is not responsible for paying a copayment for either medical visits or prescriptions. However, the veteran may be billed if the care is NOT related to a service connected condition. Just because a veteran

whole body, only the specific injury or illness rated for service connection.

Special Treatment Authority Classifications

Veterans are eligible for cost-free medical care for conditions that have been adjudicated as SC condition or additionally, for special treatment authorities related to exposures or experiences such as:

- Agent Orange, based on service in the Republic of Vietnam
- Environmental Contaminates (EC)/Southwest Asia (SWA) covers veterans who served in the Gulf War
- Ionizing Radiation
- Military Sexual Trauma
- Head and Neck Cancer
- Shipboard Hazard and Defense (SHAD)/Project 112
- Combat Veteran- Care of conditions potentially related to combat service after 11/11/98 for five years following their discharge from active duty service

the visit is for SC treatment

or is one of the special treatment authority classifications.

Adjunct Conditions

For medical treatment purposes, is a non SC condition that may be associated with and held to be aggravating an adjudicated SC condition. VA bills health insurance plans for treatment of an adjunct condition and as applicable, may charge a copay for treatment of the adjunct condition.

Secondary Conditions

For medical treatment purposes, may be the result of an adjudicated SC condition. Veterans are encouraged to file compensation claims for non-rated secondary conditions. Non-rated secondary conditions are billable as a non SC condition.

VA Billing Requirement

Treatment provided for SC or special treatment authority conditions is not billable, with the exception of workers compensation or tort feason claim for injury of SC disability. A SC rating does not mean that all treatment a veteran receives is considered to be SC. VA must bill for care provided for a condition that is not SC or a special treatment authority, which includes adjunct and secondary conditions.

Repayment Plans

This plan is often referred to as collection by installment and the veteran must provide for complete liquidation of the debt. The plan must be within a reasonable time not to exceed 36

plan, a veteran must use VA Form 1100 Agreement to Pay Indebtedness, VA Form 5655 Financial Status Report and a current 10-10EZR Means Test must be on file.

Compromises

A compromise is an offer to pay off past debts through a partial payment. VA will consider both current and future income in making accepting compromises. Most offers of compromise must be paid in full within 30 days from the date of acceptance. To request this plan, a veteran must submit VA Form 5655 Financial Status Report. There is no limit on the amount a veteran can request for the offer in compromise.

Hardships

A Hardship is an exemption from copay for a determined period of time. This plan can be requested to avoid future inpatient and outpatient medical care copayments (not medication income is substantially reduced from the prior year. Veterans must submit this request through the Enrollment Coordinator where the veteran receives care.

Waivers

Waivers are an agreement by VA to forgive payment of a debt. This plan must be requested within 180 days from the date of the statement in which the charges are first incurred. Additionally, a veteran can request this plan by completing VA Form 5655 Financial Status

Offset Program

The Offset program provides a mandatory government-wide delinquent debt matching and payment offset system. This consists of two parts- Debt Management Center, which offsets veterans VA Compensation and Pension benefits at 100% and Treasury Offset Program, which offsets other Federal Benefits.

Billing Process

- 1) A Veteran receives up to three statements and if no payment is made after 90 days delinquent (120 days old) and the account has a balance greater than \$25, it is referred to the Debt Management Center.
- 2) The Debt Management Center compares against compensation and pension lists for offset and a debt notification letter is sent to the veteran giving them 30 days to make arrangements (repayment, waiver request or lesser amount).
- 3) The offset occurs approximately 60 days after the notification letter, however, if no match is found at the Debt Management Center, the account is referred to the Treasury Offset Program.
- 4) The Treasury Offset Program sends a Potential Offset Notification (PON) letter giving veterans 30 days to make payment arrangements.
- 5) When the offset letter is received, the veteran should immediately contact their local VA medical center or the Health Resource Center to make payment arrangements.

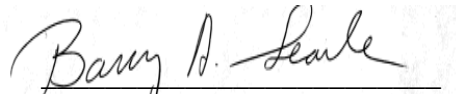
- 6) Delays in responding will result in the account being offset and the veteran will be charged a fee for each offset.
- 7) Types of Treasury Offset Programs include: civilian federal retirement pay, salary payments, social security, income tax refunds, etc.

Questions

The Health Resource Center (HRC) was established to help resolve veterans health benefit eligibility and billing inquiries, waiver and repayment plan requests, copayment balance inquiries or any billing related issues. number is located on the veterans billing statement and veteran service officers having questions can contact the HRC at 1-877-222-8387. For additional questions or if your third-party insurance has been improperly billed, please send to Jacob Gadd at var@legion.org.

Reference

The Department
Presentation, 2010 Department Service Officer School, Washington, DC.


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