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DEPARTMENT OF VETERANS AFFAIRS

8320-01

Reasonable Charges for Inpatient MS-DRGs and SNF Medical Services; V3.17,  
Fiscal Year 2016 Update

AGENCY: Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: This document updates the acute inpatient and the skilled nursing facility/sub-acute inpatient facility charges. The updated charges are based on the 2016 Medicare severity diagnosis related groups (MS-DRGs).

FOR FURTHER INFORMATION CONTACT: Romona Greene, Chief Business Office (10NB), Veterans Health Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW., Washington, DC 20420, (202) 382-2521. (This is not a toll free number.)

SUPPLEMENTARY INFORMATION: Section 17.101 of Title 38 of the Code of Federal Regulations (CFR) 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 methodologies for establishing billed amounts for several types of charges are found in 38 CFR 17.101; however, this notice will only address the acute inpatient and the skilled nursing facility/sub-acute inpatient facility charges.

Based on the methodologies set forth in 38 CFR 17.101(b), this notice updates the acute inpatient facility charges that were based on the 2015 Medicare severity diagnosis related groups (MS-DRGs). Acute inpatient facility charges by MS-DRGs are posted on the Internet site of the Veterans Health Administration (VHA) Chief Business Office, currently at <http://www.va.gov/CBO/apps/rates/index.asp>, under the "Reasonable Charges Data Tables" section, v3.15 Inpatient Data Table, as Table A. This Table A corresponds to the Table A referenced in 79 FR 58048, September 26, 2014. Table A referenced in this notice is v3.17, which provides updated charges based on the 2016 MS-DRGs, and it will replace Table A posted on the Internet site of the VHA Chief Business Office.

Also, this document updates the skilled nursing facility/sub-acute inpatient facility all-inclusive per diem charge using the methodologies set forth in 38 CFR 17.101(c) and this charge is adjusted by a geographic area factor that is based on the location where the care is provided. See Table "N" Acute Inpatient and

Table “O” Skilled Nursing Facility (SNF) for the geographic area factors on the VHA Chief Business Office website under the v3.16 link in the “Reasonable Charges Data Tables” section, which are not being updated by this notice. The skilled nursing facility/sub-acute inpatient facility per diem charge is posted on the Internet site of the VHA’s Chief Business Office, currently at <http://www.va.gov/CBO/apps/rates/index.asp>, under the “Reasonable Charges Data Tables” section, v3.15 as Table B. This Table B corresponds to the Table B referenced in 79 FR 58048, September 26, 2014. Table B referenced in this notice is v3.17, which provides an update to the 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.

The charges in this notice for acute inpatient and skilled nursing facility/sub-acute inpatient facility services are effective October 1, 2015.

This notice is 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://www.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 also posted on the Internet site of the VHA Chief Business Office. Accordingly, the tables identified as being updated by this notice correspond to the applicable tables referenced in 79 FR 58048, September 26, 2014.

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://www.va.gov/CBO/apps/rates/index.asp>, under “Reasonable Charges Data Sources” section, v3.15, 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://www.va.gov/CBO/apps/rates/index.asp>, under the VA Medical Facility Locations, v3.16 (January, 2015), in the “VA Medical Facility Locations” section, 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” web page currently at <http://www.va.gov/CBO/apps/rates/index.asp>.

#### Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Robert L. Nabors II, Chief of Staff, Department of Veterans Affairs, approved this document on September 15, 2015, for publication.

Dated: September 16, 2015.

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