

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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Implementation Date: October 7, 2013

Reminder to Billing Procedures Related to the Department of Veterans Affairs (VA) – Companion Information to CR8198: “Updating the Shared Systems and Common Working File (CWF) to no Longer Create Veteran Affairs (VA) “I” records in the Medicare Secondary Payer (MSP) Auxiliary File”

Note: This article was revised on January 12, 2017, to add a reference MLN Matters® Article [MM9818](#), which corrects a misinterpretation of the changes made in Change Request (CR) 8918 and clarifies how Medicare contractors will process inpatient claims for service in a non-VA facility that were not authorized by the VA. All other information is unchanged.

Provider Types Affected

This MLN Matters® Article is intended for providers, including home health and hospice providers, and suppliers submitting institutional claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed

This article is intended to provide additional information and coding reminders for billing Medicare when the Department of Veterans Affairs (VA) is involved for a portion of the services. This article is based on CR8198 (<http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1213OTN.pdf>) which informs MACs about clarification to procedures for institutional claims related to the Department of Veterans Affairs (VA). Make sure your billing staffs are aware of these changes.

Disclaimer

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Background

The Centers for Medicare & Medicaid Services (CMS) sent the MACs a letter (Technical Direction Letter #12002), entitled "Clarification to Procedures Related to the Department of Veterans Affairs (VA)". This communication advised MACs to no longer accept VA information entered on claims as the basis for assuming that Medicare should pay secondary. The Coordination of Benefits Contractor (COBC) also disabled the creation of VA Medicare Secondary Payer (MSP) records when an action to create such records was requested via the Electronic Correspondence Referral System (ECRS). The CMS took these actions based on the following language found in §1862(a) (3) of the Social Security Act (the Act): Medicare is precluded from making payment for services or items that are paid for directly or indirectly by another government entity. *VA claims, therefore, represents a Medicare program exclusion rather than an indication of MSP.*

Billing Instructions

For inpatient claims where the VA is the Payer, the covered VA services are exclusions to the Medicare program per Section 1862 of the Social Security Act. If the VA doesn't approve all the services, any Medicare covered services not considered by the VA may be billed to the Medicare program. VA approved services (that is, Medicare excluded services) may be submitted on a separate noncovered claim to Medicare. Only Medicare covered services should be billed to the Medicare program. Medicare ***should not*** be billed as the secondary payer to VA using the Value Code "42". (See the "Medicare Claims Processing Manual," Chapter 1, Section 60 at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf> for billing instructions).

For outpatient claims where the VA is the Payer, the covered VA services are exclusions to the Medicare program per Section 1862 of the Social Security Act. If the VA doesn't approve all the services, any Medicare covered services can be billed to Medicare. Medicare ***should not*** be billed as the secondary payer to VA using the Value Code "42". (See the "Medicare Claims Processing Manual," Chapter 1, Section 60 at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf> for billing instructions).

Additional Information

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net/work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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Document History

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