

# **FACT SHEET 01-10 Payment Methodology**

#### What is the Spina Bifida Health Care Program?

The Spina Bifida Health Care Program is a federal health benefit program administered by the Department of Veterans Affairs for birth children of Vietnam veterans diagnosed with spina bifida. The Spina Bifida Health Care Program is a fee for service (indemnity plan) program. The Spina Bifida Health Care Program provides reimbursement for medical care related to all conditions associated with spina bifida except spina bifida occulta.

#### What does the Spina Bifida Health Care Program pay?

In most cases, the Spina Bifida Health Care Program pays equivalent to Medicare and TRICARE rates. There are no co-pays or deductible for beneficiaries, Spina Bifida Health Care Program pays 100% of the allowable charge.

#### What is an allowable amount?

The term allowable amount (or allowable charge) is the maximum amount the Spina Bifida Health Care Program will authorize for payment to a hospital, institutional provider, physician or other individual professional, or an authorized provider for covered medical services.

## Does the provider have to accept the Spina Bifida Health Care Program allowable rate?

Yes. Under 38 CFR 17.903(c), providers must accept the Spina Bifida Health Care Program allowable rate and cannot balance bill the patient.

July 08 1

### Spina Bifida (SB) Health Care Program Payment Summary

BENEFIT	SPINA BIFIDA HEALTH CARE PROGRAM PAYS
Ambulatory Surgery Facility Services	Lesser of the billed charge or a prospective payment system (PPS) reimbursement. The PPS amount is generally equivalent to the DoD TRICARE or Medicare rate.
Professional Services	Lesser of the billed charge or 100% of the determined maximum allowable charge which is equivalent to the DoD TRICARE or Medicare rate.
Durable Medical Equipment (DME) Non-VA Source	Lesser of the billed charge or the VA cost for the equipment.
Home Health Services	100% of the determined maximum allowable charge.
Hospice	The national Medicare rates for hospice services. There are Medicare pre-determined rates for routine home care, continuous home care, inpatient respite care, and general inpatient care.
Inpatient Services DRG Based	An inpatient service occurs when the admission to a hospital is for 24 hours or more or when the admission was intended to last for more than 24 hours. The Diagnostic Related Group (DRG) payment system is used to calculate payment for the episode of care. The DRG payment rates are based on an average cost of local care and the allowable amount may be either more or less than the billed amount. The DRG payment rates are equivalent to DoD TRICARE and Medicare rates.
	Professional services (physician fees and anesthesia) are paid the lesser of the billed amount or the established maximum allowable amount.
Inpatient Services: Non- DRG Based	These include Christian Science Sanitoriums, foreign hospitals, long-term hospitals, skilled nursing facilities, rehabilitation hospitals, and sole community hospitals (that have a special Medicare exemption). Payment is 100% of the billed amount.
Mental Health: High Volume/ RTC	Payment based on the DoD TRICARE mental health per diem system.
Mental Health: Low Volume	Payment is based on the lesser of a regional per day amount or the billed charge.

July 08 2

BENEFIT	SPINA BIFIDA HEALTH CARE PROGRAM PAYS
Outpatient Services (i.e. doctors visits, lab/ radiology, skilled nursing visits, ambulance)	Lesser of the billed amount or 100% of the determined maximum allowable amount (equivalent to DoD TRICARE and Medicare rates).
Pharmacy Services	Lesser of the billed amount or 100% of the average wholesale price (as found in the Drug Topics Red Book) plus a \$3 dispensing fee.
VA Source (durable medical equipment, pharmacy, or VA Medical Center treatment)	100% of the VA cost.

#### How do I get more information?

- Check out our website at www.va.gov/hac, click on the 'For Beneficiaries' tab, then select Spina Bifida / Children of Women Vietnam Veterans (CWVV).
- Write us at PO Box 469065, Denver, CO 80246-9065
- To contact us by email, please go to this web link and follow the directions for submitting secure email: http://www.va.gov/hac/contact

• Call 1-888-820-1756

July 08 3