

Introduction

The VA Health Administration Center (HAC) is a primary component of the Office of Purchased Care, which is organizationally located within the Veterans Health Administration's Chief Business Office. The HAC's primary mission is to administer federal health benefit programs for veterans and their family members. Benefit programs for family members include the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA), including the CHAMPVA Inhouse Treatment Initiative (CITI) and the CHAMPVA Meds by Mail program. Other family benefit programs include the Spina Bifida Health Care Program and the Children of Women Vietnam Veterans Health Care Program (CWVV). Previously, the HAC also administered the Persian Gulf Examination Program for Dependents which is no longer an active VA benefit program. For veterans, the HAC administers the Foreign Medical Program (FMP), which provides service to veterans living or traveling throughout the world. From 2003-2007, the HAC also administered the Fee program, which provides services to veterans who need care outside a VA medical center. Responsibility for these programs include: benefits management, eligibility determination, customer service, outreach and education, staff training, claims processing, appeals and grievances and fraud, waste and abuse prevention.

To support the primary mission, the HAC:

- Maintains a robust, advanced technology information system that includes an automated claims processing system that employs electronic document imaging, artificial intelligence and a commercial claims scrubber.
- Is actively engaged in Electronic Data Interchange (EDI) developing electronic commerce applications for health care claims processing.

Other HAC missions include:

- Serving as the VHA Office of Mail Management providing support to all VHA facilities.
- Providing human resource, contract/acquisition, financial and information systems support to various VHA field activities. The HAC supports almost 200 staff across the United States plus more than 1,000 remote users of the various HAC managed computer systems.
- The HAC also provides office space to representatives from the VA Office of Information, the VA Office of the Inspector General and the staff of the VHA Chief Business Office's Field Operations.

History

In June 1986, VA centralized management of the CHAMPVA Program at the Denver VA Medical Center. From 1973 through 1986, VA medical centers were responsible for processing CHAMPVA applications and determining if applicants were eligible for the program.

Initially, the Denver VA Medical Center was responsible only for beneficiary eligibility determinations. In 1990, the organization began to assume responsibility for all aspects of the program including claims processing, which previously had been done by the Department of Defense. In the early 1990s, the organization separated from the Denver VA Medical Center and became the CHAMPVA Center, a field activity of VHA's Central Office.

By January 1, 1994, the Center was fully responsible for performing all CHAMPVA program administrative functions, including claims processing, beneficiary eligibility determinations and payments for beneficiaries residing in the 50 States, the District of Columbia and Puerto Rico. For this effort, the Center was honored with a National Performance Review Hammer Award in 1995. The transition was complete January 1, 1996, when the Center assumed responsibility for all foreign CHAMPVA claims processing and payments.

With the implementation of numerous program initiatives between 1990 and 1996, the role of the CHAMPVA Center continued to expand.

In 1992, the Center began the CHAMPVA Inhouse Treatment Initiative (CITI). Under CITI, VA medical facilities provide care to CHAMPVA beneficiaries when they have the space and capacity to do so after serving veterans. As of June 7, 2007, 126 VA Medical Centers and Community Based Outpatient Clinics (CBOC) were participating in this program, each with a unique offering of services based on local capability. Through the CITI program, the HAC reimbursed more than \$32.2 million to VA facilities in FY07.

In 1994, the Center assumed responsibility for VA's Foreign Medical Program (FMP). Under this program, the Center pays for health services required for veterans with service-connected disabilities who live or travel overseas or who are enrolled in a VA-approved vocational rehabilitation program overseas. The successful transfer of the program resulted in a VA Scissors Award. The Center's mission was expanded in April 2005 when the Center assumed the management for veterans health care services provided in Canada.

In 1996, the CHAMPVA Center was officially renamed the Health Administration Center.

In 1996, the Center took the lead to initiate and negotiate an interagency process redesign. The change in process resulted in payment checks and explanation of benefits being mailed together—previously they were sent separately. With the Department of Treasury's Austin Center as a partner, the Government saved over \$225,000 in postage costs. The HAC received another VA Scissors Award for this effort.

In 1996, Congress authorized medical examinations for family members of Gulf War veterans and the Center processed those claims for payment. This program ended in 2003 when the authority to provide benefits expired.

The Center became the home of the Spina Bifida Health Care Program in 1997. Under this program, children of Vietnam veterans with spina bifida are provided a full range of health care services related to their spina bifida. At the end of FY07 there were 1,184 beneficiaries enrolled in this program. Of this number, five were added as a result of legislation extending benefits to certain Korea veterans.

In 2000, the Center further expanded services to CHAMPVA beneficiaries through a mail-order pharmacy program providing improved access to care and decreased costs to the beneficiary and to the government. The mail order pharmacy program, called Meds by Mail, received a VA Scissors Award in 2000 for excellence and innovation. In FY05, to provide quality service and to ensure redundancy, the Center expanded its partnership with the Cheyenne VA Medical Center and the Leavenworth CMOP, to include the Dublin VA Medical Center. In 2006, VISN 7 assumed overall management of both locations. The two Meds by Mail Centers serve as “the pharmacy” where beneficiaries send prescriptions.

Because of its success with the Spina Bifida Health Care Program, the Center was selected to administer health benefits under the Children of Women Vietnam Veterans (CWVV), a benefit program that began in December 2001. There are currently fifteen individuals who are enrolled in this program.

In June 2001, Congress authorized the extension of CHAMPVA benefits for beneficiaries over the age of 65 effective October 1, 2001. The Center contacted over 250,000 individuals notifying them of their eligibility for this program over the next two years. Between July 2001 and the end of fiscal year 2004 the Center added 80,394 beneficiaries to the program that were over 65 years old.

In the summer of 2002, the HAC was tasked to begin the centralization of claims processing for VA's Fee program and to ensure that the program met HIPAA mandates by October 2003. HIPAA mandates were met through deployment of the Fee Payment Processing System.

In 2003, the Center was given program responsibility for the national Fee program. As such, the Center provided policy and program guidance to all VHA activities and sponsored the National Non-VA Advisory Council. In late March 2004, the HAC rolled out “Fee 101,” the first of several standardized national training programs for Fee clerks.

In the fall of 2005, the HAC fielded a claims scrubbing tool for use in the Fee program. This was the first national tool for this purpose. In April 2007, the HAC hosted the first VHA Fee Claims Backlog Management Summit. The Summit brought together VA health care professionals from the national, VISN, and local levels to share experiences and expertise toward improving the VHA-wide Fee claims backlog issue. With continued projected growth in usage, complexity, and budget, the National Fee Program was organizationally realigned in June 2007 as its own separate component within CBO Purchased Care.

Staffing

The Center's initial staff of four programmers began developing the eligibility and claims software in 1986, before the Center was chartered. As the Center's mission changed from eligibility determination to claims processing for CHAMPVA, adding other benefits programs and then to include other non-health benefits missions, the staff has grown to over 650 authorized civil servants and 60 contracted staff.

Through the use of imaging technology and EDI applications, the HAC has developed a state-of-the-art claims processing system. The system contains an artificial intelligence component and utilizes a commercial code-editing software system called ClaimCheck®. The Center's artificial intelligence system and use of ClaimCheck® software saved the Center \$34.2 million in FY07. In the fall of 2005, HAC provided ClaimCheck software access to the Fee program and allowed Fee clerks across VA to take advantage of the inherent cost avoidance measures the tool provides.

The Center accepts institutional and outpatient claims through EDI. This technology holds the promise of being able to help the Center control operational costs. In late 2002, the Center implemented optical character recognition technology, which has reduced claims processing times. In the fall of 2003, the Center met HIPAA transaction set standards for all programs including Fee. According to an audit of the Center's HIPAA compliance by Price Waterhouse Coopers in March 2004, the "HAC is on par with the leading health plan organizations and well ahead of many others."

The HAC also utilizes technology to provide quality services and minimize staffing needs. For example, beneficiaries can use a state of the art phone system to check on claims status as well as through the Internet. An additional feature includes the ability for providers to check on payments due them via the phone and Internet.

Customer Satisfaction

The Center has a robust customer satisfaction program. Major surveys of CHAMPVA beneficiaries are conducted every year. The Center enjoys a high level of customer satisfaction.

In the 2007 CHAMPVA survey, 97.8% of beneficiaries stated that they were either "Satisfied" or "Very Satisfied" with our overall service. Comments from the survey were very positive as these two examples demonstrate; "Everyone I've talked to has been very helpful and nice," and "Wonderful!"

In the middle of 2005, staffing shortages began to take a toll and during 2007, the call center average speed of answer had risen to 23 minutes (as compared to our goal of two minutes) and less than 40% of claims were processed in 30 days or less (as compared to our goal of 95% in 30 days). With additional funding, the HAC began to remedy the staffing shortage. By New Year's Day, 2008, our claims processing speed had improved to over 95% of claims processed in 30 days. Our average speed of answer is down to 14 minutes, still working towards our goal of two minutes.

In 2005, the HAC completed the American Customer Satisfaction Index (ACSI) for the CHAMPVA program scoring 86—third highest in the federal government after two

Health and Human Services programs. Since that time, internal surveys demonstrate a satisfaction rate of over 90%. In 2007, CHAMPVA scored 82 in the ACSI—still in the top five for the Federal Government.

Awards

Key among the HAC's awards are three VA Scissors Awards, a VA Hammer Award, an award from the Denver Mayor as a top Denver employer, Colorado's Performance Excellence Award (on its first attempt) and an award in 2005 as the top federal agency in the Combined Federal Campaign.

Center Leadership

Center Directors have included: Charles DeCoste, 1989-1996, Michael Hartford, 1997-1999, Mary Beth Saldin (Acting) 1999-2000, and Ralph Charlip, 2000-2007. Mary Beth Saldin was appointed HAC Director in March 2008.