

**Congress of the United States**  
**Washington, DC 20515**

October 3, 2017

The Honorable David Shulkin  
Secretary of Veterans Affairs  
Department of Veterans Affairs  
810 Vermont Ave NW Washington, DC 20420

Dear Secretary Shulkin,

We write to express our concern at the alarming amount of late payments for non-Veterans Affairs health facilities under the Veterans Affairs (VA) Choice Program (VCP). With many health care providers reporting accounts receivable in the millions of dollars, the level of late payments is unacceptable. We urge you to fix this problem and immediately develop a long-term solution aimed at ensuring that payments are made within 30 days of receiving an invoice.

VCP falls under the Prompt Payment Act, which states that payments should be paid within 30 days of the VA or the Third-Party Administrator (TPA), in this case Health Net, receiving the invoice. Despite this requirement, a significant portion of the invoices from VCP providers are not being paid until well after 120 days.

Riverside Health System, which provides care to veterans in multiple Virginia congressional districts, has reported 227 out of 504 VCP claims have not received a payment after more than 120 days, totaling more than \$2 million. Riverside Health System is administered by Veterans Integrated Service Network (VISN) 6. Carilion Clinic which also provides care to veterans in multiple congressional districts continues to experience a degradation of the claims payment process. Over the past year, Carilion has doubled its hospital accounts receivable from \$28 million to \$58 million from the Veterans Affairs Medical Center - Salem. Additionally, both Wellmont Health System and Lewis-Gale hospital which operate in Virginia's 9<sup>th</sup> Congressional district have experienced difficulty in getting VCP accounts paid in a timely manner. In Virginia's 10<sup>th</sup> Congressional district, one dental facility was owed in excess of \$203,000 through the VCP. The situation has gotten so dire that a Veteran who had used this facility to get VA approved dentures ultimately had them withheld due to the Veterans Affairs Medical Center's (VAMC) nonpayment.

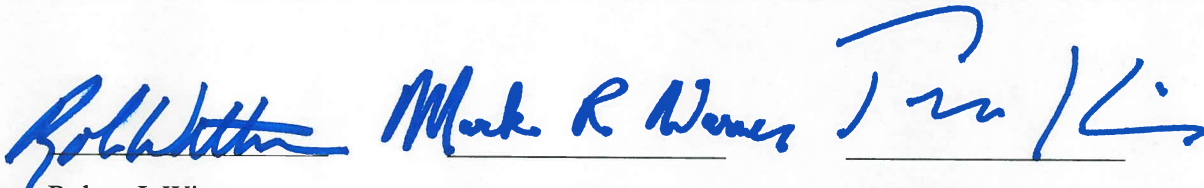
It is unreasonable to believe that VCP health providers can stay in business with unreconciled invoices after more than 120 days of providing services. Many VCP health providers throughout the Commonwealth are now evaluating whether they can continue to provide services to veterans under the Choice Program. In addition, we have heard from our veteran constituents that they have started to receive calls from debt collectors because Health Net has failed to process and make the payments for services received under VCP. In at least one such case, a veteran was denied a mortgage loan due to the impact of these collection matters on his FICO score. More than two years passed before all of the claims were settled in that specific case.

The VA Office of Inspector General's September 12, 2017 memorandum enumerated the fundamental administrative mistakes plaguing the VCP system: duplicate payment errors, pass-through errors, and rate errors in Choice payments made through the Fee Basis Claims System. These collective errors have resulted in tens of millions of dollars in overpayments to Third Party Administrators. Many of these problems could have been avoided through better training on VCP for Third-Party Administrators, and with established lines of communication among the VA, Congressional offices, Third-Party Administrators, and constituents.

We also write to request clarification on the future of Third Party Administrators involved with the Veterans Choice Program. Some VA Medical Centers have been given conflicting information that Health Net Federal Services will remain the Third Party Administrator for most of Virginia. These conflicting reports have resulted in Virginia's veterans experiencing increased difficulty when scheduling health care appointments. Our veterans deserve to know that their care will not be compromised as the Department of Veterans Affairs determines a third party administrator to manage this vital program. We hope that Health Net and the Department of Veterans Affairs will work together to make sure that the providers' questions are answered and that existing claims for payment are processed promptly.

We want the Department of Veterans Affairs and VCP to succeed. We have done our part to continue to fund VCP, now we need you to properly administer the program. Our health providers who have stood up and answered the call to provide services to veterans and, most importantly, our veterans deserve a health care system that works. Do not jeopardize the care our veterans receive due to poor processes.

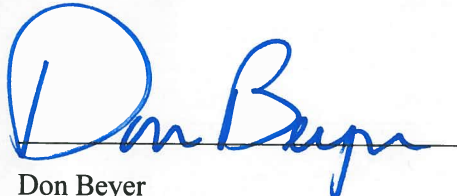
We know that you remain committed to ensuring our veterans receive the highest level of care. We remain confident that you will devote your full attention in rectifying the late payment problem we have addressed in this letter. We hope that the Department of Veterans Affairs and Health Net Federal Services will soon be able to provide guidance regarding the future implementation of the Choice Program to all concerned parties. Finally, we look forward to working with you to solve this issue.



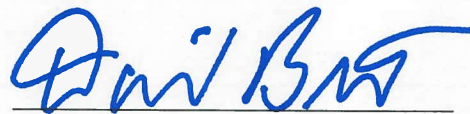
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Mark R. Warner  
United States Senator

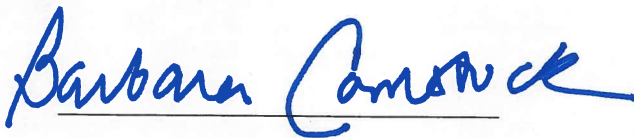
Tim Kaine  
United States Senator



Don Beyer  
Member of Congress



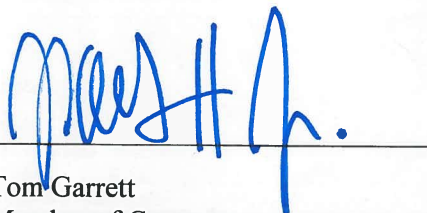
Dave Brat  
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Barbara Comstock  
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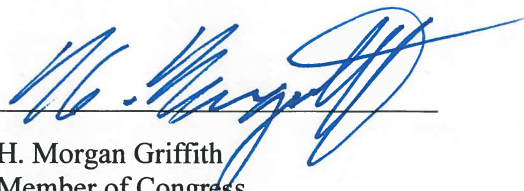
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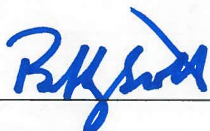
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