



DEPARTMENT OF VETERANS AFFAIRS
Under Secretary for Health
Washington DC 20420

July 14, 2015

The Honorable John Kline
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Kline:

Thank you for your June 11, 2015, co-signed letter to the Department of Veterans Affairs (VA) regarding the Consolidated Patient Account Center Team's review of inpatient copayment charges for 2011-2015. I am responding on behalf of the Department.

VA is committed to providing our Veterans with the care and services they earned and deserve, and honestly and timely requesting payment for the care that VA provides. As such, we apologize for certain episodes of care where copayment charges that should have been created and released to Veterans were not processed within the normal timelines. For VA Care in the Community, normal timeframes to charge for copayments can take up to 18 months following the episode of care due to a number of factors including extensive evaluation and coordination requirements between VA, providers, and contractors; information processing that spans multiple data systems and can include several requests for information before claim processing begins; and the time required for Other Health Insurance organizations to process first party copayment offsets. For VA inpatient and outpatient care, normal timeframes to charge for copayments can take up to 120 days.

Under 38 U.S.C. 1710, VA is only authorized to provide care to certain Veterans based on their agreement to pay copayments. Title 28 U.S.C. 2415 establishes a statute of limitations to bill Veterans for debt owed to the government at 6 years. In addition, 38 C.F.R. 1.911 governs the collection of benefit debt owed due to participation in a benefit program, such as health care. This oversight of unbilled copayments going back to 2011 was isolated to the Minneapolis VA Medical Center (VAMC). VA regrets any confusion and hardship some Veterans may have endured from this incident, and we will develop stronger internal controls to mitigate risks of this from occurring in the future.

Once we learned of this incident, VA immediately suspended the charges that were on the affected Veterans' May 2015 and June 2015 monthly statements. Additionally, we are suspending the entire account and calling each Veteran until we can work through each account one-by-one to inform them of their options, including applying for a waiver or requesting a repayment plan. These options can assist in alleviating the immediate impact on Veterans or provide Veterans the opportunity to appeal the decision to charge for services. For example, if a Veteran is financially unable to pay their copayment debt, VA may decide to grant a waiver of debt based on the evidence and one or more of the factors set forth in 38 C.F.R. 1.965. This regulation requires application of the "equity and good conscience" standard when the facts and circumstances in a particular case indicate a need for reasonableness and moderation in the exercise of the Federal government's rights. The phrase "equity and good conscience" means arriving at a fair decision between the debtor and the Federal government. In making this determination, consideration is given to the factors such as fault of the debtor, balancing faults, undue hardship, and other similar factors.

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If a Veteran wishes to enter into an installment agreement to pay their copayment debt they can request a repayment plan to distribute the debt into a series of equal monthly payments. Enclosed please find specific, step-by-step information on how Veterans may request a waiver or request a repayment plan. Additionally, the Veterans and their families may contact the Minneapolis VAMC Facility Revenue Office at (612) 629-7386 or the Central Plains Consolidated Patient Account Veteran Services Department at (844) 216-0708, option 6, Monday through Friday from 8 a.m. – 4:30 p.m. CST. VA's Health Resource Center is also available to assist by calling (866) 347-2352.

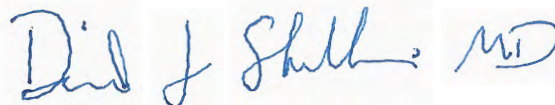
VA is also ensuring that customer service representatives are available in-person at the Minneapolis VAMC to answer any additional questions Veterans and their families may have. VA has identified 1,482 Veterans in Minneapolis and Wisconsin who sought treatment at the Minneapolis VAMC that were impacted by the retroactive charges added to their monthly billing statements. Of these 1,482 Veterans identified, 26 Veterans have been deceased for more than 6 months. Therefore, all charges for these accounts have been terminated per VA policy, *Termination of Collection Action and Close Out of Debt Volume XII – Chapter 1* (May 2010), and the Veterans' next of kin have been notified that charges have been terminated.

The total amount of valid copayments that went unbilled is \$549,198. We anticipate this number decreasing with potential refunds or write-off's being performed on accounts where it may be applicable such as instances with deceased Veterans. VA does not anticipate this amount increasing. All collections are returned directly to the Minneapolis VAMC where health care services were provided. As is the case for any monies received through our normal billing and collection processes for any VA medical center, the revenue generated goes directly back to the servicing VA medical centers operating budget to improve healthcare services for Veterans.

VA remains committed to the goal of providing exceptional care and services for Minnesota and Wisconsin Veterans, and we look forward to working with you and your staff in the future. Should you have additional questions, please contact Mr. Tony Adams, Congressional Relations Officer, at (202) 461-6473 or by email at Tony.Adams@va.gov. A similar letter is being sent to the co-signers of your letter.

Thank you for your continued support of our mission.

Sincerely,

A handwritten signature in blue ink that reads "David J. Shulkin, M.D." The signature is written in a cursive style and is positioned above the printed name.

David J. Shulkin, M.D.

Enclosure

**Frequently Asked Questions
Unbilled Copayment Charges for Minnesota and Wisconsin Veterans**

Q – Have Veterans been notified about what happened?

A – Yes, all affected Veterans who received a statement are receiving phone calls to inform them that VA has suspended their account until we can identify the best course of action to lessen or eliminate the financial burden.

Q – Who can Veterans call to ask questions or address concerns?

A – Veterans can call the Minneapolis VA Medical Center (VAMC) Facility Revenue Office at (612) 629-7386 or the Central Plains Consolidated Patient Account Center (CPCPAC) Veteran Services Department at (844) 216-0708, option 6, Monday through Friday from 8 a.m. – 4:30 p.m. CST. Veterans also can call VA's Health Resource Center at (866) 347-2352.

Q – Where can Veterans go in-person if they have questions or concerns?

A - To be responsive to Veteran's needs, VA is ensuring that customer service representatives are available in-person in the Minneapolis VAMC atrium Monday through Friday from 8 a.m. – 4:30 p.m. CST to answer questions. VA staff will be available during these days and times until VA sees a significant reduction in the number of Veterans seeking assistance regarding this issue.

Q – If a Veteran has already received a bill, what should he or she do?

A – Nothing at this time. VA is suspending the entire account and calling each Veteran until we can work through each account one-by-one to inform Veterans of their options, including applying for a waiver or requesting a repayment plan. These options can assist in alleviating the immediate impact on Veterans or provide Veterans the opportunity to appeal the decision to charge for services. For example, if a Veteran is financially unable to pay their copayment debt, VA may decide to grant a waiver of debt based on the evidence and one or more of the factors set forth in 38 C.F.R. 1.965. If a Veteran wishes to enter into an installment agreement to pay their copayment debt they can request a repayment plan to distribute the debt into a series of equal monthly payments.

Q – What options do Veterans have to resolve this issue?

A – If a Veteran is financially unable to pay their copayment debt, per 38 C.F.R. 1.911, they can request a waiver. If a Veteran wishes to enter into an installment agreement to pay their copayment debt, they can request a repayment plan to distribute the debt into a series of equal monthly payments. Instructions for both options are as follows:

Waiver Instructions and Forms

If a Veteran is financially unable to pay their copayment debt, they can request a waiver.

1. Veterans may submit a written request for a waiver or they may fill out the attached VA Form 4138 (Attachment 1) to request a waiver. Either option can be submitted to the Minneapolis VA Medical Center Facility Revenue Office in person or it can be mailed to the Central Plains Consolidated Patient Account Center in Leavenworth, Kansas, at the address below.
2. A completed VA Form 5655 (Financial Status Report) (Attachment 2) must be included in this request that outlines income and any special expenses they might have including medical, prescriptions, special care needs, and other critical expenses in addition to their other standard expenses listings such as mortgage, rent, utilities, food, etc.

**Central Plains Consolidated Patient Account Center
P.O. Box 2000
3819 Franklin Ave, Bldg. 19
Leavenworth, Kansas 66048-1010**

**CPCPAC Veteran Services Department – (844) 216-0708, option 6
Minneapolis VAMC Facility Revenue Officer – (612) 629-7386**

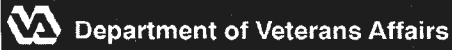
Repayment Plan Instructions and Forms

If a Veteran wishes to enter into an installment agreement to pay their copayment debt, per 38 CFR 1.914 they can request a repayment plan to distribute the debt into a series of equal monthly payments.

1. The Veteran may submit a written request or fill out VA Form 4138 (Attachment 1) to request a repayment plan. Either option can be submitted to the Minneapolis VA Medical Center Facility Revenue Office in person or it can be mailed to the Central Plains Consolidated Patient Account Center in Leavenworth, Kansas, at the address below. The request should explain any financial circumstances that would demonstrate why it would be a hardship to pay the copayment debt in a single payment.
2. The Veteran must also include a signed VA Form 1100 (Agreement to Pay Indebtedness) (Attachment 3) to request an installment plan.

**Central Plains Consolidated Patient Account Center
P.O. Box 2000
3819 Franklin Ave, Bldg. 19
Leavenworth, Kansas 66048-1010**

**CPCPAC Veteran Services Department – (844) 216-0708, option 6
Minneapolis VAMC Facility Revenue Officer – (612) 629-7386**



STATEMENT IN SUPPORT OF CLAIM

PRIVACY ACT INFORMATION: The VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 38, Code of Federal Regulations 1.576 for routine uses (i.e., civil or criminal law enforcement, congressional communications, epidemiological or research studies, the collection of money owed to the United States, litigation in which the United States is a party or has an interest, the administration of VA Programs and delivery of VA benefits, verification of identity and status, and personnel administration) as identified in the VA system of records, 58VA21/22/28, Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records - VA, published in the Federal Register. Your obligation to respond is required to obtain or retain benefits. VA uses your SSN to identify your claim file. Providing your SSN will help ensure that your records are properly associated with your claim file. Giving us your SSN account information is voluntary. Refusal to provide your SSN by itself will not result in the denial of benefits. The VA will not deny an individual benefits for refusing to provide his or her SSN unless the disclosure of the SSN is required by Federal Statute of law in effect prior to January 1, 1975, and still in effect. The requested information is considered relevant and necessary to determine maximum benefits under the law. The responses you submit are considered confidential (38 U.S.C. 5701). Information submitted is subject to verification through computer matching programs with other agencies.

RESPONDENT BURDEN: We need this information to obtain evidence in support of your claim for benefits (38 U.S.C. 501(a) and (b)). Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 15 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at www.reginfo.gov/public/do/PRAMain. If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.

FIRST NAME - MIDDLE NAME - LAST NAME OF VETERAN (<i>Type or print</i>)	SOCIAL SECURITY NO.	VA FILE NO. C/CSS -
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The following statement is made in connection with a claim for benefits in the case of the above-named veteran:

I CERTIFY THAT the statements on this form are true and correct to the best of my knowledge and belief.

SIGNATURE	DATE SIGNED
ADDRESS	TELEPHONE NUMBERS (<i>Include Area Code</i>)
	DAYTIME

PENALTY: The law provides severe penalties which include fine or imprisonment, or both, for the willful submission of any statement or evidence of a material fact, knowing it to be false.

The following statement is made in connection with a claim for benefits in the case of the above-named veteran:



Department of Veterans Affairs

FINANCIAL STATUS REPORT

1. SOCIAL SECURITY NO.	2. FILE NO.	3. SPECIFY WHY YOU ARE COMPLETING THIS FORM <i>(Waiver, Compromise, Payment Plan or Other)</i>
<i>(Type or print all entries. If more space is needed for any item, continue under Section VII, Additional Data, Item 36 or attach separate sheet)</i>		

PRIVACY ACT INFORMATION: The information you furnish on this form is almost always used to determine if you are eligible for waiver of a debt, for the acceptance of a compromise offer or for a payment plan. Disclosure is voluntary. However, if the information is not furnished, your eligibility for waiver, compromise or a payment plan may be affected. The responses you submit are confidential and protected from unauthorized disclosure by 38 U.S.C. 5701. The information may be disclosed outside the Department of Veterans Affairs (VA) only when authorized by the Privacy Act of 1974, as amended. The routine uses for which VA may disclose the information can be found in VA systems of records, including 58VA21/22, Compensation, Pension, Education and Rehabilitation Records-VA, and 88VA244, Accounts Receivable Records-VA. VA systems of records and alterations to the systems are published in the Federal Register. Any information provided by you, including your Social Security Number, may be used in computer matching programs conducted in connection with any proceeding for the collection of an amount owed by virtue of your participation in any benefit program administered by VA.

RESPONDENT BURDEN: VA may not conduct or sponsor, and respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-0648 for mailing information on where to send your comments.

SECTION I - PERSONAL DATA

4. FIRST-MIDDLE-LAST NAME OF PERSON		5. ADDRESS <i>(Number and street or rural route, City or P.O. Box, State, and ZIP Code)</i>	
6. TELEPHONE NO. <i>(Include Area Code)</i>	7. DATE OF BIRTH (MM-DD-YYYY)	8. MARITAL STATUS <input type="checkbox"/> MARRIED <input type="checkbox"/> NOT MARRIED	
9. NAME OF SPOUSE		10. AGE(S) OF OTHER DEPENDENTS	

COMPLETE RECORD OF EMPLOYMENT FOR YOURSELF AND SPOUSE DURING PAST 2 YEARS

KIND OF JOB	DATES (MM-YYYY)		NAME AND ADDRESS OF EMPLOYER
	FROM	TO	
11. YOUR EMPLOYMENT EXPERIENCE			
	PRESENT TIME		
12. YOUR SPOUSE'S EMPLOYMENT			
	PRESENT TIME		

SECTION II - INCOME

SECTION III - EXPENSES

AVERAGE MONTHLY INCOME	SELF	SPOUSE	AVERAGE MONTHLY EXPENSES	AMOUNT
13. MONTHLY GROSS SALARY <i>(Before payroll deductions)</i>	\$	\$	18. RENT OR MORTGAGE PAYMENT	\$
14. PAYROLL DEDUCTIONS			19. FOOD	
A. FEDERAL, STATE AND LOCAL INCOME TAXES			20. UTILITIES AND HEAT	
B. RETIREMENT			21. OTHER LIVING EXPENSES	
C. SOCIAL SECURITY				
D. OTHER <i>(Specify)</i>				
E. TOTAL DEDUCTIONS <i>(Items 14A through 14D)</i>				
15. NET TAKE HOME PAY <i>(Subtract Item 14E from Item 13)</i>			22. MONTHLY PAYMENTS ON INSTALLMENT CONTRACTS AND OTHER DEBTS <i>(Include amount from Section VI, Line 34I - Column E.)</i>	
16. VA BENEFITS, SOCIAL SECURITY, OR OTHER INCOME <i>(Specify source)</i>			23. TOTAL MONTHLY EXPENSES	\$
17. TOTAL MONTHLY NET INCOME <i>(Item 15 plus Item 16)</i>	\$	\$		

SECTION IV - DISCRETIONARY INCOME

24A. NET MONTHLY INCOME LESS EXPENSES <i>(Item 17 less Item 23)</i>	24B. AMOUNT YOU CAN PAY ON A MONTHLY BASIS TOWARD YOUR DEBT
\$	\$

SECTION V - ASSETS

25. CASH IN BANK (Checking and savings accounts, building and loan accounts, etc.)			\$	29. U.S. SAVINGS BONDS (Current Value)	\$
26. CASH ON HAND				30. STOCKS AND OTHER BONDS (Current Value)	
27. AUTOMOBILES (Resale value)				31. REAL ESTATE OWNED (Resale value)	
MAKE	YEAR	MODEL		32. OTHER ASSETS (Specify below)	
28. TRAILERS, BOATS, CAMPERS (Resale value)			\$	33. TOTAL ASSETS ▶	\$

SECTION VI - INSTALLMENT CONTRACTS AND OTHER DEBTS

NOTE: Show below ALL debts which you are required to pay in regular monthly installments, such as a car, television, washing machine, payments to dealers, banks, finance companies, repayment of money borrowed for any purpose, doctor bills, hospital bills, etc. **DO NOT INCLUDE LIVING EXPENSES.**

	NAME AND ADDRESS OF CREDITOR (A)	DATE AND PURPOSE OF DEBT (B)	ORIGINAL AMOUNT OF DEBT (C)	UNPAID BALANCE (D)	AMOUNT DUE MONTHLY (E)	AMOUNT PAST DUE (If any) (F)
34A.			\$	\$	\$	\$
34B.						
34C.						
34D.						
34E.						
34F.						
34G.						
34H.						
34I. TOTAL ▶			\$	\$	\$	\$

NOTE: If repayment of a debt is not on a monthly basis, write "0" in column E and describe arrangements to repay in Item 36.

SECTION VII - ADDITIONAL DATA

35A. HAVE YOU EVER BEEN ADJUDICATED BANKRUPT? IF SO AND VA OR A MORTGAGE COMPANY WAS INVOLVED, PLEASE SEND ALL PERTINENT DOCUMENTATION
 YES NO (If "Yes," complete Items 35B through 35D)

35B. DATE DISCHARGED FROM BANKRUPTCY (MM-DD-YYYY) 35C. LOCATION OF COURT 35D. DOCKET NO. (If known)

36. USE THIS SPACE AND ADDITIONAL SHEETS, IF NECESSARY, TO SUPPLY ANY PERTINENT INFORMATION AND TO CONTINUE YOUR ANSWER TO PREVIOUS ITEM NUMBER(S) TO WHICH YOUR COMMENTS APPLY

SECTION VIII - APPLICANT CERTIFICATIONS - REQUIRED

37A. YOUR SIGNATURE (Required)	37B. DATE SIGNED	38A. SIGNATURE OF SPOUSE (Required)	38B. DATE SIGNED
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PENALTY: The law provides severe penalties which include fine or imprisonment, or both, for the willful submission of any statement or evidence of a material fact, knowing it to be false.



AGREEMENT TO PAY INDEBTEDNESS

VA FILE NO. (Include letter prefix, if any)	PAYEE NO. (If known)	PERSON ENTITLED	RECEIVABLE CODE
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I, _____, hereby acknowledge my _____
(Name of Debtor) *(Type of Debt)*
 indebtedness to the Department of Veterans Affairs in the amount of \$ _____, which consists of principal, interest and other costs accrued as of this date, as a result of my participation in a benefits program administered by the Department of Veterans Affairs.

A. Complete only if repayment will be made by monthly payments to VA Agent Cashier.

I promise to repay the Department of Veterans Affairs by paying minimum monthly payments of not less than \$ _____, on or before the _____ day of each month beginning _____.

I agree to mail monthly payment to the Agent Cashier Department of Veterans Affairs

(Name and address of Department of Veterans Affairs station)
 to arrive no later than the due date specified above.

B. Complete only if repayment will be through a payroll deduction plan.

I authorize a payroll deduction of \$ _____ per pay period, beginning with the salary check to be received on _____. This deduction shall remain in effect until the debt is liquidated.

2. I understand that, at the option of the Department of Veterans Affairs, any future benefit payments due to me may be withheld in lieu of this repayment agreement until the indebtedness is liquidated.

ADDRESS OF INDIVIDUAL COMPLETING THIS FORM *(No. and Street or Rural Route, City, State, ZIP Code)*

SIGNATURE	DATE
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