

(2) Not later than 2 years after the date on which the Secretary establishes or updates standards for quality under subsection (a), the Secretary shall consider and solicit public comment on potential changes to the measures used in such standards to ensure that they include the most up-to-date and applicable industry measures for veterans.

(c) DEFINITIONS.— In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Committee on Veterans' Affairs and the Committee on Appropriations of the Senate; and

(B) the Committee on Veterans' Affairs and the Committee on Appropriations of the House of Representatives.

(2) The term “covered veterans” means veterans described in section 1703(b) of this title.

(Added Pub. L. 115–182, title I, §104(a), June 6, 2018, 132 Stat. 1410; amended Pub. L. 115–251, title II, §211(a)(4), Sept. 29, 2018, 132 Stat. 3174; Pub. L. 118–210, title I, §104(a), Jan. 2, 2025, 138 Stat. 2711.)

Editorial Notes

AMENDMENTS

2025—Subsec. (a)(2). Pub. L. 118–210, §104(a)(1)(A), designated existing provisions as subpar. (A) and added subpar. (B).

Subsec. (a)(3)(B)(v). Pub. L. 118–210, §104(a)(1)(B), added cl. (v).

Subsec. (a)(4). Pub. L. 118–210, §104(a)(1)(C), substituted “the Centers for Medicare & Medicaid Services, and the Indian Health Service” for “and the Centers for Medicare & Medicaid Services” and “and other non-governmental entities including Third Party Administrators” for “and other nongovernmental entities”.

Subsec. (a)(5) to (7). Pub. L. 118–210, §104(a)(1)(D), added pars. (5) to (7) and struck out former par. (5) which read as follows:

“(A) Not later than 270 days after the date of the enactment of the Caring for Our Veterans Act of 2018, the Secretary shall submit to the appropriate committees of Congress a report detailing the standards for quality.

“(B)(i) Before submitting the report required under subparagraph (A), the Secretary shall provide periodic updates to the appropriate committees of Congress to confirm the Department’s progress towards developing the standards for quality required by this section.

“(ii) The first update under clause (i) shall occur no later than 120 days from the date of the enactment of the Caring for Our Veterans Act of 2018.”

Subsec. (b)(1). Pub. L. 118–210, §104(a)(2)(A), substituted “Not less frequently than once every three years” for “Not later than 1 year after the date on which the Secretary establishes standards for quality under subsection (a)” and inserted “pursuant to standards for quality under subsection (a)” after “medical facilities of the Department”.

Subsec. (b)(2). Pub. L. 118–210, §104(a)(2)(B), inserted “or updates” after “establishes”.

2018—Subsec. (c). Pub. L. 115–251 inserted heading and introductory provisions, substituted “means” for “refers to” in par. (2), and realigned margins.

Statutory Notes and Related Subsidiaries

DEADLINE FOR UPDATE

Pub. L. 118–210, title I, §104(b), Jan. 2, 2025, 138 Stat. 2712, provided that: “The Secretary, pursuant to paragraph (7) of section 1703C(a) of title 38, United States Code (as added by subsection (a)), shall make the first

update to the standards for quality established under paragraph (1) of such section not later than the date that is five years after the date on which the Secretary submits the report under paragraph (2) of subsection (d) [of section 104 of Pub. L. 118–210, set out as a note below].”

UPDATES TO QUALITY CARE METRICS

Pub. L. 118–210, title I, §104(d), Jan. 2, 2025, 138 Stat. 2712, provided that:

“(1) INITIAL REPORT.—Not later than one year after the date of the enactment of this Act [Jan. 2, 2025], the Secretary of Veterans Affairs shall submit to the appropriate committees of Congress [Committees on Veterans' Affairs and Appropriations of the Senate and the House of Representatives] a report on how the Secretary plans to implement the amendments made by subsections [sic] (a) [amending this section].

“(2) DEADLINE; SUMMARY REPORT.—Not later than two years after the date of the enactment of this Act, the Secretary shall—

“(A) implement the amendments made by subsection (a), including by updating the standards for quality established under section 1703C of title 38, United States Code; and

“(B) submit to the appropriate committees of Congress a report detailing the standards for quality updated pursuant to such amendments.”

[Pub. L. 118–210, title I, §104(f), Jan. 2, 2025, 138 Stat. 2713, provided that: “In this section [amending this section and enacting provisions set out as notes above], the term ‘appropriate committees of Congress’ has the meaning given such term in section 1703C of title 38, United States Code.”]

§ 1703D. Prompt payment standard

(a) IN GENERAL.—(1) Notwithstanding any other provision of this title or of any other provision of law, the Secretary shall pay for hospital care, medical services, or extended care services furnished by health care entities or providers under this chapter within 45 calendar days upon receipt of a clean paper claim or 30 calendar days upon receipt of a clean electronic claim.

(2) If a claim is denied, the Secretary shall, within 45 calendar days of denial for a paper claim and 30 calendar days of denial for an electronic claim, notify the health care entity or provider of the reason for denying the claim and what, if any, additional information is required to process the claim.

(3) Upon the receipt of the additional information, the Secretary shall ensure that the claim is paid, denied, or otherwise adjudicated within 30 calendar days from the receipt of the requested information.

(4) This section shall only apply to payments made on an invoice basis and shall not apply to capitation or other forms of periodic payment to entities or providers.

(b) SUBMITTAL OF CLAIMS BY HEALTH CARE ENTITIES AND PROVIDERS.—A health care entity or provider that furnishes hospital care, a medical service, or an extended care service under this chapter shall submit to the Secretary a claim for payment for furnishing the hospital care, medical service, or extended care service not later than 180 days after the date on which the entity or provider furnished the hospital care, medical service, or extended care service.

(c) FRAUDULENT CLAIMS.—(1) Sections 3729 through 3733 of title 31 shall apply to fraudulent claims for payment submitted to the Secretary

by a health care entity or provider under this chapter.

(2) Pursuant to regulations prescribed by the Secretary, the Secretary shall bar a health care entity or provider from furnishing hospital care, medical services, and extended care services under this chapter when the Secretary determines the entity or provider has submitted to the Secretary fraudulent health care claims for payment by the Secretary.

(d) OVERDUE CLAIMS.—(1) Any claim that has not been denied with notice, made pending with notice, or paid to the health care entity or provider by the Secretary shall be overdue if the notice or payment is not received by the entity provider within the time periods specified in subsection (a).

(2)(A) If a claim is overdue under this subsection, the Secretary may, under the requirements established by subsection (a) and consistent with the provisions of chapter 39 of title 31 (commonly referred to as the “Prompt Payment Act”), require that interest be paid on clean claims.

(B) Interest paid under subparagraph (A) shall be computed at the rate of interest established by the Secretary of the Treasury under section 3902 of title 31 and published in the Federal Register.

(3) Not less frequently than annually, the Secretary shall submit to Congress a report on payment of overdue claims under this subsection, disaggregated by paper and electronic claims, that includes the following:

(A) The amount paid in overdue claims described in this subsection, disaggregated by the amount of the overdue claim and the amount of interest paid on such overdue claim.

(B) The number of such overdue claims and the average number of days late each claim was paid, disaggregated by facility of the Department and Veterans Integrated Service Network region.

(e) OVERPAYMENT.—(1) The Secretary may deduct the amount of any overpayment from payments due a health care entity or provider under this chapter and may use any other means authorized by another provision of law to correct or recover overpayments.

(2) Deductions may not be made under this subsection unless the Secretary has made reasonable efforts to notify a health care entity or provider of the right to dispute the existence or amount of such indebtedness and the right to request a compromise of such indebtedness.

(3) The Secretary shall make a determination with respect to any such dispute or request prior to deducting any overpayment unless the time required to make such a determination before making any deductions would jeopardize the Secretary's ability to recover the full amount of such indebtedness.

(f) INFORMATION AND DOCUMENTATION REQUIRED.—(1) The Secretary shall provide to all health care entities and providers participating in a program to furnish hospital care, medical services, or extended care services under this chapter a list of information and documentation that is required to establish a clean claim under this section.

(2) The Secretary shall consult with entities in the health care industry, in the public and private sector, to determine the information and documentation to include in the list under paragraph (1).

(3) If the Secretary modifies the information and documentation included in the list under paragraph (1), the Secretary shall notify all health care entities and providers described in paragraph (1) not later than 30 days before such modifications take effect.

(g) PROCESSING OF CLAIMS.—(1) In processing a claim for compensation for hospital care, medical services, or extended care services furnished by a non-Department health care entity or provider under this chapter, the Secretary may act through—

(A) a non-Department entity that is under contract or agreement for the program established under section 1703(a) of this title; or

(B) a non-Department entity that specializes in such processing for other Federal agency health care systems.

(2) The Secretary shall seek to contract with a third party to conduct a review of claims described in paragraph (3) that includes—

(A) a feasibility assessment to determine the capacity of the Department to process such claims in a timely manner; and

(B) a cost benefit analysis comparing the capacity of the Department to a third party entity capable of processing such claims.

(3) The review required under paragraph (2) shall apply to claims for hospital care, medical services, or extended care services furnished under section 1703 of this title that are processed by the Department.

(h) REPORT ON ENCOUNTER DATA SYSTEM.—(1) Not later than 90 days after the date of the enactment of the Caring for Our Veterans Act of 2018, the Secretary shall submit to the appropriate committees of Congress a report on the feasibility and advisability of adopting a funding mechanism similar to what is utilized by other Federal agencies to allow a contracted entity to act as a fiscal intermediary for the Federal Government to distribute, or pass through, Federal Government funds for certain non-underwritten hospital care, medical services, or extended care services.

(2) The Secretary may coordinate with the Department of Defense, the Department of Health and Human Services, and the Department of the Treasury in developing the report required by paragraph (1).

(i) DEFINITIONS.—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Committee on Veterans' Affairs and the Committee on Appropriations of the Senate; and

(B) the Committee on Veterans' Affairs and the Committee on Appropriations of the House of Representatives.

(2) The term “clean electronic claim” means the transmission of data for purposes of payment of covered health care expenses that is submitted to the Secretary which contains substantially all of the required data elements necessary for accurate adjudication, without

obtaining additional information from the entity or provider that furnished the care or service, submitted in such format as prescribed by the Secretary in regulations for the purpose of paying claims for care or services.

(3) The term “clean paper claim” means a paper claim for payment of covered health care expenses that is submitted to the Secretary which contains substantially all of the required data elements necessary for accurate adjudication, without obtaining additional information from the entity or provider that furnished the care or service, submitted in such format as prescribed by the Secretary in regulations for the purpose of paying claims for care or services.

(4) The term “fraudulent claims” means the knowing misrepresentation of a material fact or facts by a health care entity or provider made to induce the Secretary to pay a claim that was not legally payable to that provider.

(5) The term “health care entity or provider” includes any non-Department health care entity or provider, but does not include any Federal health care entity or provider.

(Added Pub. L. 115–182, title I, §111(a), June 6, 2018, 132 Stat. 1418; amended Pub. L. 115–251, title II, §§204, 211(a)(5), Sept. 29, 2018, 132 Stat. 3172, 3175.)

Editorial Notes

REFERENCES IN TEXT

The date of the enactment of the Caring for Our Veterans Act of 2018, referred to in subsec. (h), is the date of enactment of Pub. L. 115–182, which was approved June 6, 2018.

AMENDMENTS

2018—Subsec. (e)(1). Pub. L. 115–251, §204, substituted “may deduct” for “shall deduct” and inserted before period at end “and may use any other means authorized by another provision of law to correct or recover overpayments”.

Subsec. (g)(3). Pub. L. 115–251, §211(a)(5), substituted “of this title” for “of this Act, as amended by the Caring for Our Veterans Act of 2018,”.

Statutory Notes and Related Subsidiaries

PROCESSING OF CLAIMS FOR REIMBURSEMENT THROUGH ELECTRONIC INTERFACE

Pub. L. 115–182, title I, §114, June 6, 2018, 132 Stat. 1423, provided that: “The Secretary of Veterans Affairs may enter into an agreement with a third-party entity to process, through the use of an electronic interface, claims for reimbursement for health care provided under the laws administered by the Secretary.”

§ 1703E. Center for Innovation for Care and Payment

(a) IN GENERAL.—(1) There is established within the Department a Center for Innovation for Care and Payment (in this section referred to as the “Center”).

(2) The Secretary, acting through the Center, may carry out such pilot programs the Secretary determines to be appropriate to develop innovative approaches to testing payment and service delivery models in order to reduce expenditures while preserving or enhancing the quality of care furnished by the Department.

(3) The Secretary, acting through the Center, shall test payment and service delivery models to determine whether such models—

(A) improve access to, and quality, timeliness, and patient satisfaction of care and services; and

(B) create cost savings for the Department.

(4)(A) The Secretary shall test a model in a location where the Secretary determines that the model will address¹ deficits in care (including poor clinical outcomes or potentially avoidable expenditures) for a defined population.

(B) The Secretary shall focus on models the Secretary expects to reduce program costs while preserving or enhancing the quality of care received by individuals receiving benefits under this chapter.

(C) The models selected may include those described in section 1115A(b)(2)(B) of the Social Security Act (42 U.S.C. 1315a(b)(2)(B)).

(5) In selecting a model for testing, the Secretary may consider, in addition to other factors identified in this subsection, the following factors:

(A) Whether the model includes a regular process for monitoring and updating patient care plans in a manner that is consistent with the needs and preferences of individuals receiving benefits under this chapter.

(B) Whether the model places the individual receiving benefits under this chapter (including family members and other caregivers of such individual) at the center of the care team of such individual.

(C) Whether the model uses technology or new systems to coordinate care over time and across settings.

(D) Whether the model demonstrates effective linkage with other public sector payers, private sector payers, or statewide payment models.

(6)(A) Models tested under this section may not be designed in such a way that would allow the United States to recover or collect reasonable charges from a Federal health care program for care or services furnished by the Secretary to a veteran under pilot programs carried out under this section.

(B) In this paragraph, the term “Federal health care program” means—

(i) an insurance program described in section 1811 of the Social Security Act (42 U.S.C. 1395c) or established by section 1831 of such Act (42 U.S.C. 1395j);

(ii) a State plan for medical assistance approved under title XIX of such Act (42 U.S.C. 1396 et seq.); or

(iii) a TRICARE program operated under sections 1075, 1075a, 1076, 1076a, 1076c, 1076d, 1076e, or 1076f of title 10.

(b) DURATION.—Each pilot program carried out by the Secretary under this section shall terminate no later than 5 years after the date of the commencement of the pilot program.

(c) LOCATION.—The Secretary shall ensure that each pilot program carried out under this section occurs in an area or areas appropriate for the intended purposes of the pilot program. To

¹ So in original.