

MESSAGE FROM THE ASSISTANT UNDER SECRETARY FOR HEALTH FOR OPERATIONS

Thank you for your support during the rulemaking process for AP89, Changes in Rates VA Pays for Special Mode Transportation. Your feedback and expertise was critical in the way ahead. Below you will find the Plain Language Overview of the regulation and link to the Federal Register with the entire publication.

What's Next? The regulation will go into effect next year on **February 16, 2024**. Facilities are requested to review vendor performance in their current contracts and prepare for distribution of standardized Special Mode Transportation (SMT) contract solicitation, administration and execution. Guidance from Veterans Transportation Program (VTP) and VHA Procurement Logistics Office is forthcoming. You will receive information by **April 30, 2023**. Additional information will be covered on this topic during Network Directors Meetings, Deputy Network Director Monthly Meeting, as well as upcoming Program Office Hours.

Plain Language Overview for AP89, Changes in Rates VA Pays for Special Modes of Transportation

[Federal Register :: Public Inspection: Rates for Special Modes of Transportation](#)

What does the regulation do? This final rule amends VA Beneficiary Travel (BT) regulations to establish a new payment methodology for special modes of transportation, to include ambulance. The new payment methodology will apply in the absence of a contract between VA and a vendor of the special mode of transportation. For transport by ambulance (to include air ambulance), VA will pay the lesser of the actual charge or the amount determined by the Medicare Part B Ambulance Fee Schedule (AFS) established by the Centers for Medicare & Medicaid Services (CMS). For travel by modes other than ambulance, the new methodology will usually result in these providers receiving the lesser of States' posted rates or the actual charge. The new payment methodology will not be effective until one year after publication of the final rule.

Who does it impact? This rule will impact special mode transportation vendors (to include ambulance and air ambulance providers) who are getting paid billed charges by VA now. VA provided an estimated impact to those providers that are small entities as defined in the Regulatory Flexibility Act as part of the proposed rule and final rule, where we identified such impact as not significant. Vendors will have one year from the publication date of the final rule before the new methodology goes into effect to make adjustments, to include entering into a contract with VA for payment rates different than those under the applicable CMS fee schedule.

Why is it happening/important? Congress changed the law in 2011 to permit VA to pay the lesser of the actual charge for ambulance transportation or the amount determined by the CMS fee schedule unless VA has entered into a contract for the ambulance transportation. See Public Law 112-56, which added subsection (b)(3)(C) to section 111. It is important that VA make this change to reduce improper payments and help eliminate payment error, waste, and abuse in line with the goals of Executive Order 13520.

Why are we doing it? VA wishes to adopt this change to reduce improper payments and help eliminate payment error, waste, and abuse in line with the goals of Executive Order 13520.

Questions: Additional questions please contact VHA Member Services Veterans Transportation Program (vhamsvtleadership@va.gov).

Thank you