



# VHA First Party Debt Management Treasury Cross-Servicing Program

January 2016

# Agenda

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# Treasury Cross-Servicing Program Overview

- Beginning in February 2016, VHA will begin using the Department of Treasury's Cross-Servicing program to encourage Veterans to satisfy their first party delinquent copayment debt with VA for non-service connected care
- Treasury uses a variety of collection tools, including:
  - Treasury Debt Collection - collection letters/phone calls to Veterans
  - Treasury Offset Program (TOP) – Treasury identifies debtors and withholds (offsets) any federal payments (federal tax refunds, Social Security benefits, military pay, retirement pay, and other federal payments that are not exempt by law) to resolve the debt.
  - Administrative Wage Garnishment (AWG) - Treasury identifies eligible debtors employed for 12 months/issues notice to employer to deduct up to 15% of the Veteran's disposable pay each pay period until debt is satisfied
  - Private Collection Agency (PCA) - PCA will contact Veterans through collection letters/phone calls to encourage them to satisfy debt. Treasury provides oversight to ensure Veterans are treated properly by PCAs

## Veteran Impact

- VA will work with Veterans to manage their financial responsibilities and take the appropriate route most suitable to avoid collection action
- Veterans may receive assistance in relieving or repaying their debt by applying for a repayment plan, waiver or compromise
- Veterans will continue to receive healthcare services from VA regardless of their ability to pay assessed copayment charges
- Veterans have the right to dispute a debt
- As of Sept. 30, 2015, only 34% of first party accounts receivable nationally were considered delinquent (30 days of first notification)
- Reports will be available in each VAMC to understand how many Veterans are impacted at your facility

# Financial Assistance Options for Veterans

- VA has programs to help Veterans suffering from financial distress as a result of personal circumstances such as; loss of job, sudden decrease in income, or increases in out-of-pocket family health care expenses.
- VA offers three financial assistance options to Veterans before being transferred to cross-servicing for collection actions:
  - Repayment Plan
  - Waiver
  - Hardship Determination
- Veterans are informed of their financial assistance options using:
  - Notice of Rights and Responsibilities
  - Patient Statement
  - Veterans Benefit Handbooks
  - VA websites

# Debt Referral Process

- VA's process provides Veterans with three monthly billing statements in increments of 30, 60 and 90 days in an attempt to collect first party copayments
- Copayment debts that are not paid within 90 days will automatically transfer to VA's Debt Management Center (DMC) for offset of VBA benefits (if available)
- If VBA benefits are not available, Veterans will have an additional 30 days to make payment arrangements to satisfy the debt
- If arrangements to pay the debt are not made, it will automatically refer at 120 days to the Treasury Cross-Servicing program who issues official notification letters to Veterans
- If the letters go unanswered, Treasury uses AWG and PCAs to collect delinquent debt
- Veterans will incur collection fees from Treasury based on a percentage of their outstanding bill(s) and length of time outstanding. Treasury collects the fees from each payment received and applies the remaining amount to the debt balance
- Veterans will receive notification in writing from Treasury to explain that their debt has been referred for collection

## Resources and References

- More information can be found at the following websites:
  - <http://www.va.gov/HEALTHBENEFITS/cost/financialhardship.asp>
  - <http://www.va.gov/HEALTHBENEFITS/cost/debt.asp>
  - [https://fiscal.treasury.gov/fsservices/gov/debtColl/faqs/debt\\_questions\\_crosserv.htm](https://fiscal.treasury.gov/fsservices/gov/debtColl/faqs/debt_questions_crosserv.htm)
- Debt Collection Improvement Act (DCIA) of 1996
  - Gave the Department of the Treasury (Treasury) new responsibilities
  - Centralized government wide collection of delinquent non-tax debt
  - Required delinquent non-tax debts at 180 days to transfer to the U.S. Department of the Treasury's, Financial Management Service (FMS)
- Digital Accountability and Transparency Act (DATA) of 2014
  - Section 5 of the DATA Act amends DCIA, 31 U.S.C. 3716(c)(6)
  - The amendment changed referral requirement for delinquent non-tax debts from 180 days to 120 days

## Contact Information

For additional information or assistance, Veterans and VSOs are advised to:

- Contact the Facility Revenue Manager, Patient Advocate or Enrollment Coordinator at their VAMC
- Visit the local VAMC Business Office or Health Administration Service Office
- Contact the VA Health Resource Center at (866) 400-1238