BY ORDER OF THE SECRETARY OF THE AIR FORCE

AIR FORCE INSTRUCTION 41-126

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Health Services

DEPARTMENT OF DEFENSE/VETERANS AFFAIRS HEALTH CARE RESOURCE SHARING PROGRAM

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This publication implements Air Force Policy Directive 41-1, *Health Care Programs and Resources* and Department of Defense Instruction 6010.23, *Department of Defense and Department of Veterans Affairs Health Care Resource Sharing Program*. This instruction identifies and defines the requirements, policies, procedures and activities necessary to ensure successful compliance with Title 38 Section 8111. It describes how to manage a local partnership, including sharing agreement requirements and Joint Incentive Fund procedures. Organizational alignment of these functions may vary by Military Treatment Facility. This instruction does not apply to the Air Force Reserve, Air National Guard, or Civil Air Patrol. This instruction may be supplemented at any level, but all supplements must be routed to AFMSA/SG3S for coordination prior to certification and approval. Refer recommended changes and questions about this publication to the Office of Primary Responsibility listed above using the Air Force Form 847, *Recommendation for Change of Publication*; route Air Force Forms 847 from the field through the appropriate chain of command. The authorities to waive wing/unit level requirements in this publication are identified with a Tier ("T-0, T-1, T-2, and T-3") number following the compliance statement. See AFI 33-360, *Publications and Forms Management*, Table 1.1 for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate Tier waiver approval authority, or alternately, to the Publication OPR for non-tiered compliance items. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual 33-363, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule in the Air Force Records

Information Management System. With respect to references in this AFI to installation medical treatment facilities, pursuant to 10 USC 1073c, effective 1 October 2018, the Defense Health Agency, a combat support agency, will be responsible for their administration and management; the details of these responsibilities are still being worked and finalized.

SUMMARY OF CHANGES

This document has been completely revised and should be reviewed in its entirety. Significant changes include streamlining of roles and responsibilities; updating National Resource Sharing Agreement Supplement changes to sharing agreements and reimbursements; removing the Joint Ventures section; and providing more descriptive Joint Incentive Fund requirements.

Chapter 1

AIR FORCE HEALTH CARE RESOURCE SHARING PROGRAM

1.1. Overview. Title 38 Section 8111 authorizes the Secretary of Veterans Affairs and Secretary of Defense to enter into resource sharing agreements that are mutually beneficial to both departments. These agreements outline the health care resources shared with the goal of improving access, quality and cost effective healthcare provided by the Veterans Health Administration and Military Treatment Facilities to the beneficiaries. Title 38 Section 8111 also authorizes the use of Joint Incentive Funds to provide seed money to incentivize innovative Department of Defense/Veterans Affairs joint sharing initiatives with the goal of driving cost savings, improving quality, and recapturing purchased care locally, regionally and nationally.

1.1.1. Resource sharing agreement requirements and routing processes, as well as the managerial roles and responsibilities are outlined within this instruction.

1.1.2. Joint Incentive Fund eligibility criteria, application, and participation process required by Veterans Affairs or the Department of Defense health care professionals, as well as the managerial and execution roles and responsibilities are outlined within this instruction.

1.2. Objectives. To achieve the Air Force Medical Services mission, the foundational emphasis of this program is focused on four major objectives. This guidance will provide direction to achieve the following objectives.

1.2.1. When possible, enhance the clinical currency of Air Force Medical Service providers.

1.2.2. Support the goals and objectives set forth by the Air Force Medical Service Strategic Plan and the Department of Defense/Veterans Affairs Joint Strategic Plan (published bi-annually).

1.2.3. Ensure the readiness or deployment capability of Air Force personnel, the range of services, the quality of care, and the established priorities for care are maintained by the providing Department.

1.2.4. Develop and submit requests for joint projects through sharing or the Joint Incentive Fund when opportunities exist between the Department of Defense and Veterans Affairs.

Chapter 2

ROLES AND RESPONSIBILITIES

2.1. Air Force Surgeon General.

2.1.1. The Air Force Surgeon General oversees the implementation of Department of Defense policy, Department of Defense guidance, and Department of Defense/Veterans Affairs sharing activities in the Air Force Medical Service.

2.1.2. The Air Force Surgeon General represents the Air Force Medical Service as a member of the Health Executive Committee ensuring all Department of Defense/Veterans Affairs policy is consistent with, and does not violate, established Air Force policy and guidance.

2.1.3. Ensures appropriate resources are available as determined necessary for the Air Force Department of Defense/Veterans Affairs Healthcare Resource Sharing Program implementation and operation.

2.1.4. Designates a Program Manager to oversee the program and coordinate issues and policy with all pertinent external agencies.

2.2. Air Force Medical Support Agency (AFMSA).

2.2.1. Ensures the Air Force Department of Defense/Veterans Affairs Health Care Sharing Program priorities and issues are appropriately vetted thru AF/SG3/5 and Air Force/SG leadership.

2.3. Air Force Department of Defense/Veterans Affairs Health Care Sharing Program Office.

2.3.1. Implements a formal Air Force Department of Defense/Veterans Affairs Health Care Sharing Program.

2.3.2. Develops guidance for the Air Force Medical Service.

2.3.3. Ensures compliance with the Department of Defense Instruction, public law, and other direction provided by the Office of the Assistant Secretary of Defense (Health Affairs) as well as the Defense Health Agency and the Health Executive Committee.

2.3.4. Conducts evaluations and assesses program performance according to Department of Defense and Air Force policy and organizational priorities.

2.3.5. Provides operational direction and guidance to the Air Force Surgeon General and policy interpretation to the Major Command Surgeons Offices, Air Force Medical Operations Agency and all Military Treatment Facilities.

2.3.6. Ensures the Major Command Surgeons Offices, Air Force Medical Operations Agency and Military Treatment Facilities are kept current on all Department of Defense/Veterans Affairs health care sharing initiatives and issues.

2.3.7. Coordinates all issues and requirements with the Air Force Surgeon General, Major Command Surgeons Offices, Air Force Medical Operations Agency, and other Air Force Surgeon General's staff as required.

2.3.8. Ensures all subject matter experts are engaged in decisions on sharing initiatives.

2.3.9. Ensures appropriate directorate-level review for all new or amended sharing initiatives. At minimum, reviewing directorates must include Air Force Surgeon General Medical Force Development, Air Force Surgeon General Legal Advisor, and Air Force Surgeon General Medical Operations and Research directorate.

2.3.10. All information technology initiatives must be coordinated with the Governance, Customer Relations and Management Divisions of the Defense Health Agency.

2.3.11. Facilitates resolution of issues arising from sharing agreements that cannot be resolved at the Military Treatment Facility.

2.3.12. Ensures issues relating to external decisions are elevated to the appropriate Defense Health Agency and Department of Veterans Affairs office for resolution.

2.3.13. Represents the Air Force Surgeon General at Department of Defense/Veterans Affairs meetings ensuring Air Force Medical Service issues are appropriately vetted and resolved.

2.3.14. Serves as the Air Force Surgeon General's expert on all Department of Defense/Veterans Affairs program issues.

2.3.15. Provides initial and reoccurring training to Military Treatment Facility program coordinators.

2.3.16. Provides input to the Government Accountability Office, Congressional representatives, and other federal agency representatives as required for the Air Force Department of Defense/Veterans Affairs Health Care Program. Assists with preparing Congressional testimony for the Air Force Surgeon General as required.

2.3.17. Maintains a database of all Department of Defense/Veterans Affairs Healthcare Resource Sharing Agreements, guidance, performance measures, and other pertinent information.

2.3.18. Ensures all requests for information are compiled and provided to the Surgeon General for review.

2.3.19. Serves as representative to the Health Executive Committee, Financial Management Working Group and Resource Sharing Working Group.

2.3.20. Represents the Air Force Surgeon General on the Health Executive Committee work groups ensuring the Air Force Surgeon General's position is considered on any decisions and that all recommendations are thoroughly staffed and approved before presenting them to the work group.

2.3.21. Ensures active and informed participation at all meetings. Serves as action officer for all issues and/or decisions from the work group, and provides executive summaries, briefings and updates as requested prior to the Health Executive Committee or as requested by the Air Force Surgeon General or his/her representative.

2.3.22. Ensures Military Treatment Facility healthcare encounters and services, manpower, expenses, and collections resulting from support agreements are done in accordance with Department of Defense Manual 6010.13-M, *Medical Expense and Performance Reporting System for Fixed Military Medical and Dental Treatment Facilities*.

2.3.23. Schedules ad hoc meetings as needed to provide updates, training, or relay policy changes. It is anticipated that meetings will be held quarterly provided there is sufficient information for discussion or new training requirements. Attendees include, but are not limited to, representatives from all Air Force/Veterans Affairs large and/or co-located sharing sites, a representative from all Military Treatment Facilities engaged in Department of Defense/Veterans Affairs sharing activities, and representative(s) from the Air Force Medical Operations Agency and AFMSA/SG8/Y.

2.4. Air Force Medical Operations Agency.

2.4.1. Reviews all Department of Defense/Veterans Affairs Health Care Sharing Joint Incentive Fund proposals and Sharing Agreements. Makes recommendations and forwards to the Air Force Department of Defense/Veterans Affairs Health Care Sharing Program Office.

2.4.2. Coordinates all Department of Defense/Veterans Affairs issues with Air Force Department of Defense/Veterans Affairs Health Care Sharing Program Office.

2.4.3. Ensures distribution of all Department of Defense/Veteran Affairs documentation to the Major Commands and Air Force Military Treatment Facilities.

2.5. Military Treatment Facility Commander/Director.

2.5.1. Provides a Military Treatment Facility Department of Defense/Veterans Affairs Program Coordinator to oversee the Department of Defense/Veterans Affairs Sharing Program at the Military Treatment Facility or, in the event an existing sharing agreement is not established, when there is a Veterans Affairs medical facility within one hour drive or 40 miles from the Military Treatment Facility.

2.5.2. Ensures the Program Coordinator is of sufficient rank and has the authority to ensure implementation of this Air Force Instruction and Defense Health Agency's policies relating to Department of Defense/Veterans Affairs sharing.

2.5.3. Establishes a forum for resolution of issues arising from sharing agreements.

2.5.4. Ensures issues relating to external decisions are elevated to the Air Force Department of Defense/Veterans Affairs Health Care Sharing Program Office for resolution as needed.

2.5.5. Ensures implementation of all operational direction, guidance and policy relating to Department of Defense/Veterans Affairs sharing and the appointed Military Treatment Facility Department of Defense/Veterans Affairs Program Coordinator are current on all Department of Defense/Veterans Affairs healthcare resource sharing initiatives and issues.

2.5.6. Establishes an audit program to ensure reimbursement are appropriate and based on current Department of Defense/Veterans Affairs sharing guidance and approved sharing agreements. (T-0)

2.5.7. Manages annual Joint Incentive Fund call responses and analyses.

2.5.8. Ensures attendance at each Department of Defense/Veterans Affairs Resource Sharing quarterly meeting and other meetings as directed by the Air Force Department of Defense/Veterans Affairs Resource Sharing Program Office.

2.5.9. Implements and ensures compliance with this guidance at the Military Treatment Facility.

2.5.10. Participates in regional Department of Defense/Veterans Affairs committees where the purpose of the group is to explore sharing opportunities and to facilitate the development of sharing arrangements, and ensure there is no conflict of interest or violation of legal authority. (T-3)

2.6. Military Treatment Facility Department of Defense/Veterans Affairs Program Coordinator.

2.6.1. Ensures all applicable personnel are appropriately trained on the implementation, management, and oversight of shared Department of Defense and Veterans Affairs healthcare resource sharing requirements.

2.6.2. Works to establish a collaborative relationship with the Veterans Affairs medical system in the local community and health care market.

2.6.3. Identifies opportunities for Department of Defense/Veterans Affairs healthcare resource sharing. Conducts business, currency, and expeditionary case analyses for each sharing initiative. Negotiates sharing opportunities and implements sharing agreements with Veterans Affairs that are beneficial to both organizations.

2.6.4. Ensures the process for new, renewed, or amended sharing agreements following the procedures outlined in Chapter 3 of this instruction. (T-0)

2.6.5. Includes an assessment of opportunities for resource sharing with their local Veterans Affairs medical facility as part of the annual Military Treatment Facility business planning process. (T-0)

Chapter 3

SHARING AGREEMENT PROGRAM

3.1. Administration.

3.1.1. The amount of resources shared is solely dependent on each military treatment facilities and Veterans Affairs facilities capability and capacity. If multiple sharing opportunities exist, developing a master sharing agreement versus individual agreements for each service is highly recommended. The clinical and non-clinical elements will not be combined in the master agreement, but all clinical resources can be combined into one and all non-clinical can be combined into one. (T-0)

3.1.2. Resource sharing agreements must be documented on the Veterans Affairs Form *10-1245c* and routed through the Air Force Department of Defense/Veterans Affairs Health Care Sharing Program Office. (T-0) The program office will accomplish required routing for approval by Air Force leadership, the Defense Health Agency and the Veterans Health Administration who provides the sharing agreement number to the sharing agreement. The final approved sharing agreement is then sent from the Veterans Health Administration back to the Military Treatment Facility.

3.1.3. Sharing agreements may be entered into for a minimum of one year and a maximum of five years. Agreements may be amended at any time if agreed upon by all parties. Agreements may be renewed for up to five year increments indefinitely, as long as the agreement continues to be relevant and beneficial to all concerned parties.

3.1.4. Determination of patient eligibility is the responsibility of the local referring parties. It is also the responsibility of the referring agency to provide authorization for care prior to the patient receiving care at the receiving facility.

3.1.5. Department of Defense to Veterans Affairs referred care will follow current TRICARE policies, processes/procedures and TRICARE Operations Manual and Veterans Health Administration Handbook 1330.06(1) for Veterans Affairs -TRICARE network agreements. All Veterans Affairs medical facilities are TRICARE Network Providers. TRICARE facilitates the referral, authorization and payment process to Veterans Affairs facilities for the treatment of Department of Defense beneficiaries. Deviations from this requirement must be approved by both the Defense Health Agency and the Veterans Health Administration. (T-1)

3.1.6. For emergency care or additional care provided that has not been preauthorized, local referring parties should refer to their hospital notification procedures.

3.2. Clinical Sharing Agreements.

3.2.1. All requirements for clinical sharing agreements are governed by the National Resource Sharing Agreement Supplement and its attachments and appendices published 5 December 2016.

3.2.2. The Military Treatment Facility will work with the local Veterans Affairs medical facility to complete the VA Form 10-1245c. (T-0) Military treatment facilities and Veterans

Affairs facilities must address all items and requirements outlined on the Veterans Affairs form. (T-0)

3.2.3. All clinical sharing agreements require that the medical treatment facilities attach the local operating procedures for each shared clinical service to the VA Form 10-1245c. (T-0)

3.2.4. Military treatment facilities will develop Standard Operating Procedures to provide more detail on procedures agreed upon between the Military Treatment Facility and Veterans Affairs facility. (T-0)

3.2.5. The full process for clinical sharing agreements and all required documents are available on the Air Force Medical Service Knowledge Exchange Department of Defense/Veterans Affairs Sharing site: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/Sharing-Agreements1.aspx**

3.3. Non-Clinical Sharing Agreements.

3.3.1. Requirements for the non-clinical resource sharing agreements are not governed by the National Resource Sharing Agreement Supplement published on 5 December 2016, but do follow the original National Resource Sharing Agreement published 29 September 2008.

3.3.2. The Military Treatment Facility will work with the local Veterans Affairs medical facility to complete the VA Form 10-1245c. (T-0)

3.3.3. Military treatment facilities should also include a memorandum of agreement if all required information does not fit on the VA Form 10-1245c. Each memorandum of agreement must include five standard statements; availability of funds, termination, dispute resolution, liability, and access to Department of Defense owned/managed information technology. (T-0)

3.3.4. The full process for non-clinical sharing agreements and all required documents are available on the Air Force Medical Service Knowledge Exchange Department of Defense/ Veterans Affairs Sharing site: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/Sharing-Agreements1.aspx**

3.4. New Agreement Process.

3.4.1. New sharing agreements must include a Veterans Affairs Form 10-1245c with blocks 2-10 completed. (T-0) Full requirements for clinical and non-clinical resource sharing agreements are listed in sections 3.2 and 3.3.

3.4.2. Blocks 9-10 of Veterans Affairs Form 10-1245c will be used for additional information. (T-0)

3.4.3. Agreements that impact the financial, currency, and/or readiness case may also require a business case analysis, currency case analysis, or expeditionary case analysis. The analysis template can also be found at the Department of Defense/Veterans Affairs Resource Sharing Knowledge exchange at **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/Sharing-Agreements1.aspx**.

3.4.4. The Air Force approval authority for all resource sharing agreements resides with the Air Force Surgeon General and is delegated to the Director, Medical Operations and Research.

3.4.5. Air Force Department of Defense/Veterans Affairs Healthcare Resource Sharing Program Office will review all sharing agreement documentation to ensure the agreement is consistent with all Department of Defense and Air Force policies.

3.4.6. Once the final documents are received by the Department of Defense/Veterans Affairs Healthcare Resource Sharing Program Office, the approval process will not exceed 45 days, to include review and coordination by all appropriate offices at Air Force Medical Operations Agency, Air Force Medical Support Agency, and the Air Force Surgeon General or designee. If approval to proceed has not been granted by the 46th day, approval to proceed is automatically granted and the agreement is ready for signature. If the documents are returned for changes, the 45-day period will restart once the documents are received by the Air Force Department of Defense/Veterans Affairs Healthcare Resource Sharing Program Office.

3.4.7. The final documents will be approved/disapproved and assigned a number by Veterans Health Affairs and then sent back to the facility though the Air Force Department of Defense/Veterans Affairs Healthcare Resource Sharing Program Office.

3.4.8. Flow charts outlining the full process and detailed requirements can be found on the Knowledge Exchange at: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/Sharing-Agreements1.aspx**.

3.5. Amended Agreement Process.

3.5.1. An amended agreement can be submitted anytime and is required when the scope of the sharing arrangement is modified to include any changes to the reimbursement methodology or to the services being shared. Amending an agreement does not change or reset the end date of the original agreement. Changes to renewed agreements should be considered a new agreement vice renewed or amended.

3.5.2. The sharing agreement will be updated with any changes and then follow the process outlined in 3.4.6. through 3.4.8. (T-1)

3.5.3. Amended agreements can be disapproved by anyone in the review process if there is significant cause for disapproval. Reasons for disapproval may include, but are not limited to, mission changes, financial issues, or projected staffing changes.

3.5.4. An updated business case analysis may be required depending on the scope of the change.

3.5.5. Flow charts outlining the full process and detailed requirements can be found on the knowledge exchange at: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/Sharing-Agreements1.aspx**.

3.6. Renewal Agreement Process.

3.6.1. Each sharing agreement is required to be renewed every 5 years or earlier depending on the expiration date on the previous agreement. (T-0) The renewal process only requires a new Veterans Affairs Form *10-1245c* if nothing else has changed in the agreement.

3.6.2. Renewed agreements can be disapproved by anyone in the review process if there is significant cause for disapproval. Reasons for disapproval may include, but are not limited to, mission changes, financial issues, or projected staffing changes.

3.6.3. The sharing agreement will then follow the process outlined in 3.4.6. through 3.4.8. (T-1)

3.6.4. Flow charts outlining the full process and detailed requirements can be found on the knowledge exchange at: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/Sharing-Agreements1.aspx**.

3.7. Training Affiliation Agreements.

3.7.1. Training affiliation agreements with the Department of Veterans Affairs will follow guidance outlined in AFI 41-108, Training Affiliation Agreement Program and are handled by the Air Force Surgeon General Medical Force Development Directorate. (T-1)

3.7.2. Sites should not have a training affiliation agreement without ensuring there is a sharing agreement in place. The training affiliation agreements may be completed first and then the sharing agreement routed though the Department of Defense/Veterans Affairs Resource Sharing Program Office for approval.

3.8. Annual Reviews.

3.8.1. The Veterans Affairs Form 10-1245c Sharing Agreement must be reviewed annually to validate currency. (T-0)

3.8.2. The appropriate review and oversight offices within each organization will initiate and coordinate joint reviews to ensure that the resources being provided are in accordance with the agreement. (T-3)

3.8.3. If the review results in no changes, the agreement remains in force as written. If changes are required, use the process for an amended agreement as outlined in section 3.5.

3.9. Termination of Sharing Agreements.

3.9.1. Sharing agreements can be terminated at any time with the mutual consent of both parties.

3.9.2. Agreements may also be terminated by either party with a 90 day written notice, unless a date is provided in the support agreement which is greater than the 90-day date.

3.9.3. Termination of any shared capital space, pursuant to the agreement (if applicable) or any part therein, shall occur 365 days following the date of the written notification to terminate unless a date is provided in the Sharing Agreements which is greater than the 365-day date.

3.10. Issue/Conflict Resolution.

3.10.1. Disputes arising in the execution of any sharing agreement are to be addressed at the lowest possible level.

3.10.2. If the dispute cannot be resolved within the sharing organizations, the dispute may be elevated to the next level in the chain of command. The dispute resolution language can be found at: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/home.aspx** under the sharing agreement section.

3.10.3. Policy interpretation issues forwarded to the Air Force Department of Defense/Veterans Affairs Healthcare Resource Sharing Program Office for resolution will be

addressed to the appropriate point of contact from both the Defense Health Agency and Veterans Health Administration. Those issues requiring policy changes or clarification may require significant time for final action. Policy changes require approval by the Health Executive Committee and must be submitted to the committee by a subordinate business line. (T-1)

3.11. Managing Dual Eligible Beneficiaries.

3.11.1. There are Veterans Affairs and Department of Defense beneficiaries that are eligible for care in both systems. The dual eligible beneficiary that is referred to the Air Force Military Treatment Facility by the Veterans Affairs under the auspices of an approved resource sharing agreement should be assumed to be seeking care as a Veterans Affairs beneficiary. Under this scenario, the Veterans Affairs would reimburse the Military Treatment Facility for that care in accordance with the approved Department of Defense/Veterans Affairs Resource Sharing Agreement and the appropriate reimbursement guidance outlined in Section 3.13. However, if the dual eligible beneficiary voluntarily states they want to be treated as a Department of Defense beneficiary, then the Department of Veterans Affairs would not be billed or required to reimburse the Military Treatment Facility for that care. For those resource sharing partnerships where the Department of Veterans Affairs is the host, the reverse is also applicable. At these locations, it is recommended that the Military Treatment Facility work with their Veterans Affairs partner to ensure their staff is aware of the potential dual eligibility of some of the Department of Defense referred beneficiaries.

3.11.2. Benefit election by the dual eligible beneficiary should occur at the beginning of an episode of care. At no time should the entity providing health care solicit or encourage a benefit election change of status from one benefit or the other. However, if the referred beneficiary voluntarily elects to change his or her benefit during an episode of care, he or she must be afforded the opportunity to have the local Beneficiary Counseling and Assistance Coordinators discuss and educate potential negative outcomes of their decision to ensure the patient makes an informed choice and is aware of all possible implications of the same. (T-0) Potential impacts of their decision could affect their continuity of care; incur increased or new co-payments, loss of eligibility for Veterans Affairs beneficiary travel allowance, or potential loss of other benefits. The Veterans Affairs referring facility must be notified about any changes that occur as a result of beneficiary benefit election. (T-0)

3.12. Reimbursements.

3.12.1. The Economy Act, Title 31, United States Code, Sections 1535 and 1536 require that any intergovernmental support, including supplies and services, be reimbursed. (T-0)

3.12.2. The National Resource Sharing Agreement Supplement provides detailed instruction on reimbursement in Section 7 and appendix B. As in the case of the actual sharing agreement, the reimbursement process is different for clinical services such as surgical services and non-clinical services such as laundry.

3.12.3. Clinical care provided by the Department of Defense will be reimbursed by the Department of Veterans Affairs using the advanced billing method. (T-0)

3.12.3.1. All clinical care provided though a sharing agreement will be billed at the Centers for Medicare and Medicaid Services guidelines and rates for reimbursement less 20%. (T-0)

3.12.3.2. The Veterans Health Administration should make a quarterly advanced payment against all local sharing agreements within 15 days of the start of the quarter based on the annualized baseline estimate.

3.12.3.3. The annualized baseline estimate is derived from the most current, completed historical healthcare utilization data.

3.12.3.4. The quarterly payment will be made using the United States Treasury's Intera-Government Payment and Collection program. Funds will be transferred to the HQ Element and distributed to each Military Treatment Facility.

3.12.3.5. Monthly workload reports will be generated by the Defense Health Agency and reconciled with each Military Treatment Facility. Adjustments to reported workload may be required at that time.

3.12.3.6. Defense Health Agency will also conduct an annual audit reconciling workload for each Military Treatment Facility.

3.12.3.7. Department of Defense to Veterans Health Affairs directed referred care will follow current Veterans Integrated Service Network level agreement rate structures negotiated with TRICARE Network Providers. (T-0)

3.12.4. Non-clinical care is billed at locally agreed upon rates and will be reimbursed outside of the advanced payment system. (T-0)

3.12.5. The full process for clinical sharing agreements and all required documents are available on the Air Force Medical Service Knowledge Exchange Department of Defense/Veterans Affairs Sharing site: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/home.aspx**.

Chapter 4

THE JOINT INCENTIVE FUND PROGRAM

4.1. Purpose.

4.1.1. The purpose of the Joint Incentive Fund program is to provide "seed" money for creative sharing initiatives at Department of Defense/Veterans Affairs facilities, as well as regional and national levels, to facilitate the mutually beneficial coordination, use, or exchange of health care resources, with the goal of improving the access to, and quality and cost effectiveness of, the health care provided to beneficiaries of both departments.

4.1.2. The Joint Incentive Fund is managed by the Health Executive Committee Financial Management Work Group with final approval authority residing with the Health Executive Committee.

4.1.3. The Government Accountability Office provides additional oversight of the program and the Office of Management and Budget closely monitors the financial aspects of the program.

4.1.4. The Joint Incentive Fund program is the only source of venture capital dollars for Department of Defense/Veterans Affairs sharing initiatives.

4.1.5. Additional information on the program is available on the Air Force Medical Service Veterans Affairs Resource Sharing Program Office Knowledge Exchange site at **https://kx2.afms.mil/kj/kx3/DoDVASharing.**

4.2. Submission and Review Process.

4.2.1. An annual call for proposals is generated by the Financial Management Work Group and filters to each facility though the Air Force Department of Defense/Veterans Affairs Resource Sharing Program office, unless the financial status of the Joint Incentive Fund program defers an annual call.

4.2.2. Developing a strong proposal takes time and effort along with collaboration between the local Military Treatment Facility and local Veterans Affairs sharing partner. Joint Incentive Fund projects are typically thought out well ahead of a data call.

4.2.2.1. It is recommended that a work group, involving all applicable parties, be formed to start building the proposal.

4.2.2.2. Each proposal should, at a minimum, explain the initiative and why it should be funded, set measurable and achievable goals, provide a timeline, provide a complete risk assessment, address the sustainment plan, and produce a full financial review of the project including data sources and a breakdown of calculations.

4.2.2.3. Examples of proposals, a full guide, and up-to-date instructions are accessible through the Program Office Knowledge Exchange at **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/home.aspx**.

4.2.3. All proposals will be collected and reviewed by the Air Force Department of Defense/ Veterans Affairs Resource Sharing Program Office.

4.2.4. Each proposal is reviewed by subject matter experts and vetted through the corporate structure prior to review by the Air Force Surgeon General, who will then approve those proposals that will ultimately go to the Health Executive Committee for final approval.

4.2.5. Approved proposals from each Service will meet the Financial Management Work Group, where they are reviewed, scored and a recommendation for funding provided to the Health Executive Committee for approval.

4.2.6. The Air Force Department of Defense/Veterans Affairs Resource Sharing Program Office will provide a response back to each facility once the Health Executive Committee has given final approval/disapproval of projects.

4.3. Project Execution.

4.3.1. Upon proposal approval, the Health Executive Committee transfers funds from the program account to cover the first year's cost estimates provided in the proposal.

4.3.2. Two year funding is provided for each approved project in annual distributions with the expectation that the project funds will be fully obligated within the two year period. (T-3) If circumstances beyond the project leads control occur, resulting in the inability to execute all funds in the two year period, the project leads from both agencies may request additional time to complete the project. (T-0) At most, a one-year extension may be approved; however, depending on the reason for the project delay, not all waivers for additional time may be approved.

4.3.3. Joint Incentive Funds not obligated in the two year period may be terminated and returned to the Joint Incentive Fund Treasury account upon Health Executive Committee approval unless a waiver for additional time has been approved.

4.3.4. A quarterly interim progress report will be required by the facility and provided to the Financial Management Work Group though the Department of Defense/Veterans Affairs Resource Sharing office. (T-0)

4.3.5. The quarterly reports allow the work group to track the progress of each venture. Sites will be sent a template for the quarterly interim progress report from the program office. The first quarterly report is due on the 15th of the following month from the first full quarter after receiving funds. Subsequent reports are due each quarter on the 15th of the month following the end of the quarter; e.g., 15 January, 15 April, etc.

4.3.6. Projects with minor construction as part of the initiative should not be submitted if the construction cannot commence shortly after the receipt of funding. If the construction is dependent on other projects currently underway at the Military Treatment Facility or Veterans Affairs medical facility, it is recommended that it not be submitted until the other projects are completed or will be completed within a very short period of time.

4.3.7. Any changes to the project's scope, time, or cost after initial approval require approval though the Health Executive Committee.

4.3.8. Sites will complete a change request and produce updated financial data for any change in scope, time, or cost. (T-0)

4.3.9. Air Force military treatment facilities should contact the Air Force Department of Defense/Veterans Affairs Resource Sharing Program office as soon as a potential change arises.

4.3.10. Upon completion of the two years or completion of the project, whichever comes first, the site will provide a final report to the program office. (T-0)

4.3.11. Examples of quarterly reports, a final report, and the full Joint Incentive Fund Guide are accessible though the Knowledge Exchange at: **https://kx2.afms.mil/kj/kx3/DoDVASharing/Pages/home.aspx**.

4.4. Project Sustainment.

4.4.1. It is the responsibility of the facility to work out a project sustainment solution if the Joint Incentive Fund project is successful. Sustainment funding must be approved via the corporate process for programing action. (T-0) If a bridge is required to a position, it must be validated by the Air Force Medical Operations Agency and funding must be approved by The Air Force Surgeon General Medical Force Development Directorate. (T-0)

4.4.2. Excess funds cannot be used for other Joint Incentive Fund projects or any other requirements, including project sustainment once the project is closed and the final report submitted. All excess funds must be accounted for and returned to the Joint Incentive Fund treasury account. (T-0) Project leads must notify the Air Force Department of Defense/Veterans Affairs Resource Sharing Program office upon identification of excess funding. (T-0)

DOROTHY A. HOGG
Lieutenant General, USAF, NC
Surgeon General

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

38 USC 8111, *Sharing of Department of Veterans Affairs and Department of Defense Health Care Resources*, NDAA 2003

AFI 33-360, *Publication and Forms Management*, 15 Feb 2018

AFI 33-363, *Management of Records*, 2 Jun 2017

AFPD 41-1, *HealthCare Programs and Resources*, 15 April 1994

DoDI 6010.13-M, *Medical Expense and Performance Reporting System for Fixed Military Medical and Dental Treatment Facilities*, 7 April 2008.

DoDI 6010.23, *Department of Defense and Department of Veterans Affairs Health Care Resource Sharing Program*, 23 January 2012

AFI 41-108, *Training Affiliation Agreement Program*, 22 September 2014

Memorandum of Understanding between the Veterans Administration and the Department of Defense, Veterans Affairs/DoD Healthcare Resources Sharing Guidelines, 31 October 2008

Supplement to the Department of Veterans Affairs and the Department of Defense Health Care Resource Sharing Guidelines, 5 December 2016.

The Economy Act, Title 31, United States Code, Section 1535

Prescribed Forms

None

Adopted Forms

AF Form 847, *Recommendation for Change of Publication*

VA Form 10-1245c, *Veterans Affairs/Department of Defense Sharing Agreement*

Terms

Beneficiary—With respect to Veterans Affairs, a person eligible for health care services under title 38, United States Code, and with respect to Department of Defense, means a person eligible for health care services under Chapter 55 of title 10 United States Code.

Direct Care Sharing Agreements—Memorandum of Agreement or approved Veterans Affairs Form 10-1245c executed between a military health system facility command/Director and a Veterans Affairs medical facility. These agreements involve the exchange of services for reimbursement or services in kind.

Heads of Medical Facilities—With respect to Veterans Affairs, the Director of the facility, and with respect to Department of Defense, the commander or medical or dental officer in charge.

Healthcare Resources—All available manpower, facilities, equipment, supplies, and funding to produce health care services, and any other health care support or administrative resource.

Healthcare Services—This includes hospital care, medical services, and rehabilitative services, as defined in section 1701 of Section 8111 of Title 38, United States Code, certain health care services for immediate family members of veterans under section 1782 Section 8111 of Title 38, United States Code, and bereavement counseling under section 1783 of Section 8111 of Title 38, United States Code

Health Executive Committee—Joint Department of Defense/Veterans Affairs committee empowered by Congress to implement mutually beneficial policies, operations and capital planning. Oversees development and implementation of Department of Defense/Veterans Affairs Joint Strategic Plan.

Memorandum of Agreement—Memorandum that defines general areas of conditional agreement between two or more parties – what one party does depends on what the other party does (e.g., one party agrees to provide support if the other party provides the materials). Memorandum of Agreement that establish responsibilities for providing recurring reimbursable support should be supplemented with support agreements that define the support, basis for reimbursement for each category of support, the billing and payment process, and other terms and conditions of the agreement.

Memorandum of Understanding—Memorandum that defines general areas of understanding between two or more parties – explains what each party plans to do; however, what each party does is not dependent on what the other party does (e.g., does not require reimbursement or other support from receiver).

Military Treatment Facility—Those inpatient and outpatient medical/dental facilities owned, staffed, and managed by the Military Departments.

Readiness—The level of health care resources necessary to maintain the combat effectiveness of the military forces and to support expanded missions during periods of mobilization or national emergency.

Veterans Integrated Service Network—A regional health network of the Department of Veterans Affairs.