Congress of the United States
Washington, DC 20515

May 10, 2023

Secretary Denis R. McDonough
Department of Veterans Affairs
810 Vermont Ave, NW
Washington, D.C. 20571

Dear Secretary McDonough,

We write to bring your attention to the dilemma facing the VA's ability to reimburse community care providers for mental health in-home case management services. As you may know, in 2022, the Centers for Medicare and Medicaid Services (CMS) updated its coding guidelines. The VA's decision subsequently to remove certain procedure codes from its standard episode of care (SEOC) authorization impedes the ability of VA medical centers to reimburse community care providers and to appropriately serve Maine veterans.

This rule change has adversely impacted the VA Maine Healthcare System's ability to meet the intensive case management (ICM) needs of Maine veterans living with severe mental illness throughout the state. As it stands, the VA does not currently have the personnel resources to position healthcare teams in close-enough proximity to meet the needs of veterans spread throughout the large geographic footprint and high rurality of Maine. Across the VA, one of the preferred mechanisms for meeting these needs is to partner with community healthcare providers who are already in these regions providing similar services.

ICM services are most appropriate for those who have very complex healthcare needs that are unlikely to respond effectively in traditional outpatient settings. Veterans lacking adequate care have a high reliance on emergency departments and inpatient hospitalization; this process is disruptive to patients and to the already overstrained civilian healthcare system. Further, while these services can stabilize a patient, they are often not best practices for managing chronic conditions.

Veterans needing ICM for mental health typically have been diagnosed with severe and persistent mental illness, and often have difficulty organizing their routine daily activities such as taking medications at the prescribed doses and intervals, managing appointments and bills, stocking groceries, and others. By intervening early and often in the individual's home environment, healthcare providers can help address challenges before they progress, and often can get systems into place to help the individual on a path of recovery that decreases dependence on intensive support over time. This model has demonstrated improved outcomes for the affected individuals, while simultaneously reducing both over-utilization of limited acute care resources and their associated costs.

Under the former one-size-fits-all SEOC, community providers were able to bill the VA for bundled services, which were not always indicated or provided in-full simply because a minimum threshold was

met that allowed for it. While some veterans did not qualify for the SEOC despite having some related needs, others may have minimally qualified but not actually needed most of the services covered or potentially reimbursed by it. In both cases, the former SEOC was overly broad in its setup, and tailoring of the program was appropriate. However, the removal of essential procedure codes from the SEOC in 2022 introduced unexpected new challenges across the full spectrum of veterans receiving care under it.

Given the importance of such procedural codes, I strongly encourage you to adopt specific billing codes/reimbursement schedules that will allow mental health ICM services to be purchased again when clinically appropriate to do so.

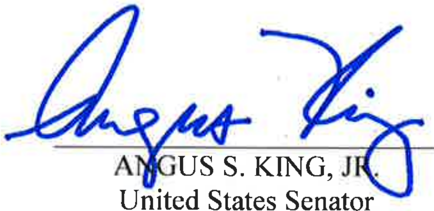
Furthermore, the VA should develop SEOCs utilizing a stepped-care approach that right-size bundled services for veterans in different stages of mental health recovery. SEOCs should differentiate between an initial acute/intensive phase of treatment focused on stabilization and introduction of new systems of support; an intermediate phase scaling back on frequency and intensity of intervention, as assistance previously provided by the healthcare team transitions to those new supports; and a maintenance phase that provides minimal but longer-term intervention to sustain treatment gains, and reduce (or more rapidly identify) future recurrences of acute needs. Such a model would provide for the clinically indicated level of care, and promote higher levels of independence as the veteran's recovery progresses. It also does so in a fiscally responsible manner.

We look forward to your response to the following questions:

- Will the VA adopt specific billing codes/reimbursement schedules that will allow mental health ICM services to be purchased again when it is clinically appropriate to do so?
- Moving forward, will SEOCs be developed utilizing a stepped-care approach that right-sizes bundled services for veterans in different stages of recovery?

Thank you for your attention to how we can work better to reach our servicemembers for mental health in-home case management services.

Sincerely,



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