

HEALTH CARE RESOURCES SHARING AUTHORITY - SELLING

1. SUMMARY OF MAJOR CHANGES: The following changes update the process to develop, execute and administer selling sharing agreements. The changes and clarifications are as follows:

- a. Updates the roles and responsibilities of the Executive Director, Procurement; Department of Veterans Affairs (VA) medical facility Director; and VA medical facility business team (located under the VA medical facility Director responsibilities) (see paragraph 2).
- b. Clarifies the impact of full cost recovery on reimbursement rates (see paragraph 2).
- c. Updates the information regarding entering into sharing agreements with State Veterans Homes and the provision of medications (see paragraph 5).
- d. Provides clarification for the review requirement and process (see paragraph 8).

2. RELATED ISSUES: VA Directive 1663, Health Care Resources (HCR) Contracting -- Buying Title 38 U.S.C. 8153, dated May 10, 2018; VHA Directive 1159, VHA Specialty Care Program Office and National Programs, dated March 09, 2022; VHA Directive 1217, VHA Central Office Operating Units, dated September 10, 2021; VHA Directive 1820, Enhanced Sharing Use of Space Program, dated November 07, 2017; VHA Directive 6300(1), Records Management, dated October 22, 2018.

3. POLICY OWNER: The Veterans Health Administration (VHA) Procurement and Logistics Office (19PLO), Medical Sharing/Affiliate National Program Office (MSO) is responsible for the content of this directive. Questions may be referred to the MSO mail group at VHACOMSOG@va.gov.

4. RESCISSIONS: VHA Directive 1660.01, Health Care Resources Sharing Authority - Selling, dated June 20, 2018, is rescinded.

5. RECERTIFICATION: This VHA directive is scheduled for recertification on or before the last working day of June 2028. This VHA directive will continue to serve as national VHA policy until it is recertified or rescinded.

6. IMPLEMENTATION SCHEDULE: This directive is effective upon publication.

June 13, 2023

VHA DIRECTIVE 1660.01

**BY DIRECTION OF THE OFFICE OF THE
UNDER SECRETARY FOR HEALTH:**

/s/ Alfred A. Montoya Jr., MHA, FACHE
Acting Assistant Under Secretary for Health
for Support

NOTE: All references herein to VA and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.

DISTRIBUTION: Emailed to the VHA Publications Distribution List on June 14, 2023.

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HEALTH CARE RESOURCES SHARING AUTHORITY - SELLING

1. POLICY

It is Veterans Health Administration (VHA) policy that health care resources (HCR) are offered to a sharing entity only if the HCR is authorized by law and Department of Veterans Affairs (VA) will receive revenue sufficient to recover the full cost of such HCR. **AUTHORITY:** 38 U.S.C. § 8153; 38 C.F.R. § 17.240.

2. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for:

(1) Ensuring overall VHA compliance with this directive.

(2) Providing written consent for selling sharing agreements of VA inpatient services for non-Veterans. See paragraph 4.b. for additional information.

b. **Chief Financial Officer, VA Office of Finance.** The Chief Financial Officer, VA Office of Finance, has assumed responsibility for auditing all selling sharing agreements.

c. **Chief Counsel, Office of General Counsel District Contract Law National Practice Group.** The Chief Counsel, Office of General Counsel (OGC) District Contract Law National Practice Group has assumed responsibility for:

(1) Participating as a member of the Rapid Response Team (RRT). **NOTE:** *The RRT is comprised of the Medical Sharing/Affiliate National Program Office (MSO) and OGC.*

(2) Performing legal review of all concept proposals and draft selling sharing agreements through the RRT, regardless of estimated total revenue; see paragraph 8 for additional information. **NOTE:** *In reviewing a concept proposal, the RRT ensures the VA medical facility has an appropriate reimbursement scheme, is selling HCR in accordance with 38 U.S.C. § 8153 and is not putting VA at risk.*

d. **Assistant Under Secretary for Health for Support.** The Assistant Under Secretary for Health for Support is responsible for establishing policy and providing guidance and oversight as necessary to ensure the timely and successful implementation of this directive.

e. **Assistant Under Secretary for Health for Operations.** The Assistant Under Secretary for Health for Operations is responsible for:

(1) Communicating the contents of this directive to each of the Veterans Integrated Services Networks (VISNs).

(2) Assisting VISN Directors to resolve implementation and compliance challenges in all VA medical facilities within that VISN.

(3) Providing oversight of VISNs to ensure compliance with this directive and its effectiveness.

f. **Executive Director, Procurement.** The Executive Director, Procurement, is responsible for:

(1) Overseeing MSO.

(2) Periodically assessing policies and strategies utilizing statutory authority pursuant to 38 U.S.C. § 8153 for continued need, currency and effectiveness.

(3) Coordinating with the Assistant Under Secretary for Health for Operations, VISN Director and VA medical facility Director to ensure all necessary action is taken and funding is obtained to address sharing agreements for the selling of HCR in a manner that meets the requirements of Federal, State and local statutes and regulations; applicable Executive Orders and VA and VHA directives.

g. **Medical Sharing/Affiliate National Program Office Director.** The MSO Director is responsible for:

(1) Providing oversight and guidance as the approving official for selling sharing agreements.

(2) Reviewing and processing concept proposal review requests through the RRT. **NOTE:** *The RRT is comprised of MSO and OGC. In reviewing a concept proposal, the RRT ensures the VA medical facility has an appropriate reimbursement scheme, is selling HCR in accordance with 38 U.S.C. § 8153 and is not putting VA at risk.*

(3) Reviewing and processing all selling sharing agreements through the RRT, regardless of estimated total revenue. See paragraph 8 for details.

(4) Performing formal technical reviews of draft selling sharing agreements with estimated total revenue of \$500,000 or more. See paragraph 8.a. for details.

(5) Preparing and submitting the annual Congressional reports required under 38 U.S.C. § 8153, which must include identification of the revenue generated by selling sharing agreements.

(6) Maintaining and updating specific processes for executing selling and sharing agreements based on the requirements outlined in VHA Procurement Manual Part 873, Health Care Resource Specialized Procurements and Sharing Agreements under 38 U.S.C. 8153 Standard Operating Procedure (SOP), Attachment 4 (Attachment 4: MSO – HCR Sharing – Selling SOP), at

https://dvagov.sharepoint.com/sites/VHAProcurement/VHAPM/VHAPM_Part_873.aspx.

NOTE: *This is an internal VA website that is not available to the public. If there is difficulty in accessing this site, please contact VHACOMSOG@va.gov for assistance.*

(7) Coordinating with the Office of Capital Asset Management (OCAM) on joint reviews of sharing agreements as outlined in paragraph 3.c.

h. **Contracting Officer.** A contracting officer (CO) who is authorized to enter into and administer selling sharing agreements on behalf of VA is responsible for:

(1) Reviewing for sufficiency and compliance each concept proposal and certification by the VA medical facility Director and submitting a review request to the MSO Director (see paragraph 8 for more information).

(2) Reviewing for sufficiency, the rationale and justification for all reimbursement rate determinations in the concept proposal, including the costing methodology utilized, and maintaining the reimbursement rates and revenue worksheet documentation in the sharing agreement file.

(3) Assessing selling sharing agreements for potential conflicts of interest (COI) and consulting with OGC upon identification of any potential COI. **NOTE:** *This assessment must be conducted prior to executing a selling sharing agreement and should take place as early in the process as practicable.*

(4) Submitting the draft selling sharing agreement to the MSO Director for review as outlined in paragraph 8.b; coordinating document review with RRT and incorporating all changes required by the legal and technical reviews before a selling sharing agreement is executed.

(5) Executing, administering, modifying and cancelling selling sharing agreements and otherwise taking all actions affecting the terms of such selling sharing agreements or the rights of VA or a sharing entity under the terms of such agreements.

(6) Issuing written designations for Contracting Officer's Representatives (CORs) selected by VA medical facility Directors and deemed appropriate by the CO to assist with technical monitoring and administration of executed selling sharing agreements. Each such designation must be signed by the CO and define the scope and limitations of the COR's delegated authority. **NOTE:** *COs must not delegate authority to CORs to execute, modify or cancel selling sharing agreements; take any action affecting the terms of a selling sharing agreement or the rights of VA or a sharing entity under the terms of a selling sharing agreement; or otherwise bind the Federal Government to take or not take some action. In no event does a COR possess delegated authority to perform any such actions. The CO must provide a copy of the designation to the sharing entity after notice of award.* The written designation issued by the CO defines the scope and limitations of the COR's delegated authority, potentially including but not necessarily limited to:

(a) Monitoring performance and compliance with the terms of the selling sharing agreement.

(b) Providing the CO with all pertinent information related to performance or compliance under the terms of the selling sharing agreement.

(c) Facilitating billing and direct communications with the sharing entity.

(d) Notifying the CO of programmatic desire or need to exercise existing options (when applicable) or cancel the selling sharing agreement.

(7) Performing an annual review of each selling sharing agreement to validate reimbursement rates in accordance with VA Financial Policies and Procedures, Volume XIII, Chapter 4, Charges and Full Cost Recovery, or successor policy, at <https://www.va.gov/finance/policy/pubs/volumeXIII.asp>.

(8) Making arrangements with the National Acquisition Center (NAC) for a State Veterans Home (SVH) to be added to the list of SVHs authorized to buy pharmaceuticals from the approved Pharmaceutical Prime Vendor (PPV). Information on the PPV Program can be found at: <https://www.va.gov/opal/nac/ncs/ppv.asp>. See paragraph 5.c. for additional information.

i. **Veterans Integrated Service Network Director.** The VISN Director is responsible for:

(1) Ensuring that all VA medical facilities within the VISN comply with this directive and informing leadership when barriers to compliance are identified.

(2) Providing review and concurrence on the certification memorandum provided by the VA medical facility Director or business team for all concept proposals.

j. **VA Medical Facility Director.** The VA medical facility Director is responsible for:

(1) Certifying that:

(a) Veterans will receive priority for services under the sharing agreement (i.e., the sharing agreement will not result in the diminution of existing levels of services to Veterans).

(b) The selling sharing agreement is necessary to maintain an acceptable level and quality of service to Veterans or will result in improvement of services to Veterans.

(c) HCR specified in the selling sharing agreement are not, or will not be, used to their maximum effective capacity.

(2) Ensuring compliance with the requirements outlined in this directive; meeting all requirements of applicable law and policy; meeting all management responsibilities; ensuring that staff are properly trained and fully capable of exercising any delegated authority; ensuring compliance with VA Financial Policies and Procedures, Volume XIII, Chapter 4, Charges and Full Cost Recovery located at <https://www.va.gov/finance/policy/pubs/volumeXIII.asp>, or successor policy, which requires certification of review of sharing agreements to determine compliance with Federal and VA policy regarding full cost recovery. **NOTE:** VHA allows stations to self-certify compliance with full cost. Certification must be forwarded to the designated CO.

(3) Establishing a business team to coordinate the selling of HCR and develop long-term communication strategies to provide local communities awareness of opportunities to purchase HCR services from VHA. **NOTE:** *Membership of the business team is at the discretion of the VA medical facility Director but must include a CO at a local Network Contracting Office. Examples of additional business team members include a clinical, finance, legal, human resources or union representative; and VA medical facility management and occupational safety professionals.* The VA medical facility Director is responsible for ensuring the business team:

(a) Determines reimbursement rates and revenue. The methodology chosen must be documented and worksheets must be maintained by the CO in the sharing agreement file. A source of information is VHA Support Service Center (VSSC) and depending on the resources considered, examples of useful reports include; Financial Management System 830/887, Human Resource Management (HR), HR Data Cube and Average Salary Report. The Medical Cost Accounting Office must be consulted for detailed information used to capture nursing hours, costs and workload when applicable. The business team must provide manual calculation and market value; selling sharing agreements should not be executed where the total revenue to be generated is determined to be less than the full cost of all HCRs that are the subject of the agreement. Exceptions may be made for less than full cost in setting a price for services only if the selling sharing agreement is necessary to maintain the level of quality or to keep a program in existence for Veteran care. **NOTE:** *Disclosure of non-compliance with obtaining full cost recovery must be provided as required by VA Financial Policies and Procedures, Volume XIII, Chapter 4, Charges and Full Cost Recovery, Appendix E, Figures 4E-2 and 4E-3, disclosure of Non-compliance with SFFAS No. 4 and SFFAS No. 7, at <https://www.va.gov/finance/policy/pubs/volumeXIII.asp>.*

(b) Assesses potential liability. Potential liability must be determined for failure of VA to perform under the terms of the selling sharing agreement. The business team must develop a contingency plan to allow the VA medical facility to meet performance requirements under foreseeable circumstances or the selling sharing agreement needs to detail circumstances under which VA would not be expected to perform.

(c) Transmits the certification memorandum for concept proposals on behalf of the VA medical facility Director to the VISN Director for review and concurrence.

(4) Selecting a program official from the VHA organizational element (e.g., VA medical facility service line) providing the HCR to assist with technical monitoring and administration of the selling sharing agreement. The selected program official must be a Federal employee and the responsible CO must concur with the selection as outlined in paragraph 2.h. The selected program official is designated as a COR in a written designation issued and signed by the responsible CO. A COR for a selling sharing agreement under 38 U.S.C. § 8153 is not subject to the requirements applicable to CORs for procurement contracts under Federal and VA regulations and policies, including those pertaining to training, qualifications and certification.

3. SELLING THE USE OF VA EQUIPMENT

a. Sharing agreements for use of VA equipment may be executed under the sharing authority only if revenue will be generated.

b. Sharing agreements must address responsibility for equipment maintenance and liability for any damages or loss.

c. If selling the use of both equipment and space, only the portion of the sharing agreement relating to equipment is processed by MSO. The MSO Director must coordinate a joint review with OCAM and the portion of the sharing agreement relating to space is processed in accordance with VHA Directive 1820, Enhanced Sharing Use of Space Program, dated November 07, 2017.

d. Sharing agreements for the use of VA equipment may be executed for a total term (initial term plus any options) of up to 5 years or the useful life of the equipment, whichever is longer.

4. SELLING SERVICES

a. **General Provisions.** VA may enter into selling sharing agreements for the sale of services that qualify as HCR (see paragraph 11.d.), including VA hospital care and all services that are necessary for the operation of a VA medical facility and related to the provision of health care, including but not limited to medical, professional and managerial services. Sharing agreements for services may be executed for up to 5 years.

(1) HCR services include, but are not limited to:

(a) Physician or nursing consulting services, laboratory testing, research support services, smoking cessation classes.

(b) Cardiopulmonary Resuscitation certification training, nursing assistant training.

(c) Seminars for Continuing Medical Education credit.

(2) VA may sell education and training services provided such services are necessary for the operation of a VA medical facility and related to the provision of health care (e.g., selling education or training services is appropriate if the educational or training program is part of Veteran, patient or staff continuing education). A selling sharing agreement must be executed with each individual receiving education or training services and such agreements must include terms requiring payment in advance to VA.

(3) The duties of VA staff under terms of selling sharing agreements must not include responsibility for personnel actions, such as hiring, firing or disciplinary actions on behalf of the sharing entity, representing the sharing entity in public venues or setting policy for the sharing entity.

(4) In all circumstances where a sharing entity requests catering services, Veterans Canteen Service must have the right of first refusal. Only after Veterans Canteen Service has indicated that they are not interested or cannot provide the requested service can a VA medical facility's Nutrition and Food Service enter into a selling agreement to provide catering food service on VA grounds.

b. **Hospital Care and Medical Services.** Selling sharing agreements for the selling of VA hospital care or medical services (inpatient or outpatient care) may be executed in accordance with the sharing authority. However, without the written consent of the Under Secretary for Health, selling sharing agreements for the selling of VA inpatient services for non-Veterans must not be considered or executed under the sharing authority.

(1) VA medical facilities seeking to sell HCR services to community care facilities under selling sharing agreements may voluntarily obtain State permits and licenses where State law requires those community care facilities to purchase services from entities permitted or licensed by the State. VA medical facilities may pay applicable service charges and fees in obtaining these permits or licenses.

(2) Selling sharing agreements which require VA to coordinate insurance benefits or to pursue third party insurance billings and collections must not be executed.

(3) VA medical facilities may enter into selling sharing agreements with Health Maintenance Organizations (HMOs), other types of managed care organizations or other types of health care providers to sell hospital care or medical services. Before entering into a selling sharing agreement with an HMO or other types of managed care organizations that require co-payments, VA medical facilities must make provisions to ensure they will have the capability to bill for and collect the co-payments. The terms of a sharing agreement between VA and an HMO apply to all individuals who receive care pursuant to that agreement, including enrolled Veterans or persons not required to enroll (see 38 C.F.R. § 17.37) in VA health care. ***NOTE: Selling sharing agreements must require payment to VA by the HMO for all services furnished pursuant to the agreement and may not require VA to coordinate insurance benefits or to pursue third party insurance billings and collections.***

(4) Selling sharing agreements may be executed for VA to provide outpatient care, including outpatient diagnostic and consultative services to individual patients referred by a sharing entity (e.g., a community physician wanting to send patients to VA for laboratory work), provided the selling sharing agreement stipulates that the sharing entity is responsible for directly paying VA for all services furnished pursuant to the agreement. In the event that a sharing entity refers a non-Veteran for diagnostic or consultative services, no billing under the sharing authority to either the non-Veteran or to the non-Veteran's third-party insurance carrier will be undertaken.

c. **Reimbursement Rates.** Reimbursement rates must be in the best interest of the Federal Government and must be determined based upon an analysis of the full cost of the HCR. The rationale and justification for the reimbursement rate determination,

including the costing methodology utilized, must be fully documented and included in the sharing agreement file. VA medical facilities are encouraged to maximize revenue generated from the sale of HCR under this authority and determine the full cost of the HCR reimbursement rates and revenue.

d. **Competitive Process.** There is no requirement for VA to utilize a competitive process when selling HCR under the sharing authority; VA medical facilities should consider doing so when appropriate.

5. STATE VETERANS HOMES

a. VA may not enter into a sharing agreement to manage or control an SVH. See 38 U.S.C. § 1742(b).

b. SVHs may request that VA provide services for which an SVH has a duty to provide under Federal regulations. Such services may include, but are not limited to, pharmaceuticals, mental health, laboratory, radiology, primary care, podiatry or dentistry. All such services would require an executed selling sharing agreement before services could be rendered to Veterans in an SVH.

c. SVHs may be granted direct access to VA Federal Supply Schedule and Prime Vendor contracts for services, equipment and supplies, such as pharmaceuticals, only after the SVH has executed a sharing agreement. **NOTE:** *Specific procedures for executing such sharing agreements are provided in Attachment 4: MSO – HCR Sharing – Selling SOP at https://dvagov.sharepoint.com/sites/VHAProcurement/VHAPM/VHAPM_Part_873.aspx. This is an internal VA website that is not available to the public.*

d. Once a sharing agreement has been executed, if the SVH wants to purchase pharmaceuticals, the CO must make arrangements with the NAC for that SVH to be added to the list maintained by the NAC of SVHs authorized to buy pharmaceuticals from the approved PPV. Information on the PPV Program can be found at: <https://www.va.gov/opal/nac/ncs/ppv.asp>.

6. LIMITATIONS AND EXCLUSIONS

a. Sharing agreements for VA space are processed in accordance with VHA Directive 1820 and are not processed through MSO or pursuant to this directive (except as provided in paragraph 3.c. when sharing agreements encompass both equipment and space).

b. This directive does not apply to agreements to provide services to other Federal agencies, which must adhere to the Economy Act, 31 U.S.C. § 1535, or for Department of Defense (DoD), 38 U.S.C. § 8111 and VHA Directive 1660, Department of Veterans Affairs – Department of Defense Health Care Resources Sharing Agreements, dated November 30, 2022. **NOTE:** *This directive does not apply to reimbursement agreements with the Indian Health Service (IHS)/Tribal Health Program/Urban Indian Organization for direct care services provided to eligible American Indian or Alaska*

Native Veterans by IHS. These are processed through the VHA Office of Integrated Veteran Care and authorized by the Economy Act, 31 U.S.C. § 1535.

c. VHA must not make capital investments in either VA medical facility improvements or in the purchase of additional equipment to accommodate unknown future requirements solely for the purpose of selling services (i.e., a VA medical facility cannot create or establish a new service just to sell it).

d. VA may not sell agent cashier services and VA may not hold money for another party or pay out money on its behalf. This would create a fiduciary relationship and, except for very limited circumstances, such as for the joint acquisition of high-tech medical equipment with a sharing entity, VA is not authorized by law to perform such banking functions.

e. Selling sharing agreements for the sale or use of space, equipment or services to individuals with any kind of employment relationship to VA are prohibited.

f. The sale, resale or other disposition of VA or government property or equipment is not authorized.

7. REVENUE

All revenue generated by selling sharing agreements must be credited to the providing VA medical facility. The following Financial Management System Resource Codes must be used for reporting revenue received in the VA medical facility or VISN:

- a. 8002 – Inpatient services.
- b. 8006 – Outpatient services.
- c. 8035 – All other HCR.

8. REVIEW REQUIREMENT AND PROCESS

a. All selling sharing agreements, regardless of estimated total revenue, must be submitted for processing and approval through MSO and OGC (collectively referred to as RRT). Selling sharing agreements with estimated total revenue of \$500,000 or more may be executed only after a formal MSO technical review is conducted. COs are responsible for incorporating all changes required by the legal or technical review before the selling sharing agreement is executed.

b. This is a two-step process consisting of the review and approval of the concept proposal and the review and approval of the draft selling sharing agreement.

(1) **Concept Proposal Review.** The business team prepares the concept proposal and a written certification for signature by the VA medical facility Director. Concurrence by the VISN Director is also required. The business team identifies the proposed revenue. **NOTE:** *The concept proposal is the first step in determining whether or not*

legal authority exists before RRT review of the sharing agreement is processed. See paragraph 11.b. for the definition of concept proposal.

(a) The business team submits the required documentation to the CO. The required documentation includes:

1. The concept proposal, including all documentation supporting the reimbursement rate determination, and

2. The signed certification by the VA medical facility Director (with VISN Director concurrence).

(b) The CO reviews the documentation for the concept proposal and submits an electronic Contract Management System (eCMS) review request to the MSO Director at VHACOMSOG@va.gov.

(c) The MSO Director reviews the documentation for sufficiency and forwards the review request to OGC for legal review.

(d) Upon completion of legal review, the MSO Director is notified of recommended changes or concurrence.

(e) The MSO Director notifies the CO when the concept proposal has been approved and requests the draft selling sharing agreement be submitted for processing. Any legal recommendations must be included in the draft selling sharing agreement submitted. The MSO Director must notify the CO when the concept proposal has not been approved and requires resubmission.

(2) Selling Sharing Agreement Review.

(a) The CO submits the draft selling sharing agreement to the MSO Director through eCMS.

1. The general selling sharing agreement template is located in the MSO Customer Resource Center SharePoint site at <https://vaww.vha.esp.va.gov/sites/PLOMSO/default.aspx> and the automated template is in eCMS. **NOTE:** *This is an internal VA website that is not available to the public.*

2. For selling sharing agreements involving Organ Procurement Organizations, eye banks or tissue banks, the CO must utilize the specialized template located on the MSO Customer Resource Center SharePoint site at <https://vaww.vha.esp.va.gov/sites/PLOMSO/default.aspx>. **NOTE:** *This is an internal VA website that is not available to the public. "Agreements" referenced in VHA Directive 1101.03, Solid Organ, Tissue and Eye Donation, dated August 23, 2021, are not processed through MSO.*

(b) The MSO Director verifies the draft selling sharing agreement is consistent with the approved concept proposal, regardless of estimated total revenue. Draft selling

sharing agreements with estimated total revenue of \$500,000 or more require a formal technical review by the MSO Director.

(c) The MSO Director submits the draft selling sharing agreement to OGC for legal review.

(d) The MSO Director notifies the CO of legal or technical comments, coordinates review of any revisions addressing legal or technical comments and approvals.

(e) For tracking purposes, the CO must electronically send the executed selling sharing agreement to MSO at VHACOMSOG@va.gov.

9. TRAINING

The following training is **recommended** for stakeholders including COs, CORs and VISN and VA medical facility leadership: Talent Management System (TMS) trainings and other HCR specialized training listed on MSO's HCR Training Center. This training can be delivered in person or online. **NOTE:** *The HCR Training Center with TMS course links can be accessed at:*

[https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO\(OLD\)/train/Lists/MSOT rainingSchedule/MyItems.aspx](https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO(OLD)/train/Lists/MSOT rainingSchedule/MyItems.aspx). *This is an internal VA website that is not available to the public. This website also specifies the audience for each TMS course (see MSO Training Course Descriptions). If there is difficulty in accessing this site, please contact VHACOMSOG@va.gov for assistance.*

10. RECORDS MANAGEMENT

All records regardless of format (e.g., paper, electronic, electronic systems) created by this directive must managed as required by the National Archives and Records Administration (NARA) approved records schedules found in VHA Records Control Schedule 10-1. Questions regarding any aspect of records management should be addressed to the appropriate Records Officer.

11. DEFINITIONS

a. **Business Team.** A business team is a team established when an opportunity to sell VA HCR is being considered. Membership of the business team is at the discretion of the VA medical facility Director. The business team consists of appropriate membership to coordinate the activity to include the local Network Contracting Office.

b. **Concept Proposal.** The concept proposal is a document which includes a summary of the statutory authority that allows the selling sharing agreement to move forward; identifies the requesting VA medical facility and VISN; discusses the resources to be sold; identifies the sharing entity, terms of the agreement, costing methodology, estimate for revenue to be generated, security considerations; and identifies how Veterans will benefit.

c. **Full Cost.** Full cost has the meaning established in VA Financial Policies and Procedures, Volume XIII, Chapter 4, Charges and Full Cost Recovery. As established in that policy, VA will comply with the Federal Accounting Standards Advisory Board's Statement of Federal Financial Accounting Standards (SFFAS) No. 4, Managerial Cost Accounting Concepts and Standards for the Federal Government. Full cost includes but is not limited to direct costs; indirect costs; corporate overhead; depreciation of general property, plant and equipment, if applicable and other (e.g., other areas for which VSSC does not have unit cost data). Direct costs must include labor, products and equipment. Indirect costs typically include labor overhead, material overhead and general and administrative costs.

d. **Health Care Resources.** The term "health care resources" involves the provision of a broad range of health care resources, including any and all medical specialties, to include radiology, cardiovascular surgery. Health care resources also refer to health care support and administrative resources, the use of medical equipment, space, and home oxygen. Health care support and administrative resources include those services, apart from direct patient care, determined necessary for the operation of VA facilities. Health care support resources serve medically related purposes (e.g., biomedical equipment repair, patient transport). Administrative resources include services not unique to the provision of medical care but deemed necessary to support the specific health care resource procurement action (e.g., transcription services, grounds maintenance, laundry).

e. **Reimbursement Rates.** Reimbursement rates are the payment rates specified in a selling sharing agreement that determine the revenue generated by selling all identified HCR. See paragraph 4.c. for details.

f. **Selling Sharing Agreement.** A selling sharing agreement is a contractual instrument providing the terms and conditions and other detailed information about the HCR (or use thereof) being sold by VA to a sharing entity under the sharing authority set forth at 38 U.S.C. § 8153.

12. REFERENCES

- a. 31 U.S.C. § 1535.
- b. 38 U.S.C. §§ 1742, 8111, 8153.
- c. 38 C.F.R. §§ 17.240, 17.37.
- d. VHA Directive 1101.03, Solid Organ, Tissue and Eye Donation Process, dated August 23, 2021.
- e. VHA Directive 1820, Enhanced Sharing Use of Space Program, dated November 7, 2017.
- f. VHA Directive 1660, Department of Veterans Affairs – Department of Defense Health Care Resources Sharing Agreements, dated November 30, 2022.

g. VA Financial Policies and Procedures, Volume XIII, Chapter 4, Charges and Full Cost Recovery, dated July 23, 2019.

<https://www.va.gov/finance/policy/pubs/volumeXIII.asp>.

h. Department of Veterans Affairs. Office of Procurement, Acquisition and Logistics. Prime Vendor Division - Pharmaceutical Prime Vendor Program (PPV). 2022:

<https://www.va.gov/opal/nac/ncs/ppv.asp>.

i. MSO HCR Training Center.

[https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO\(OLD\)/train/Lists/MSOTrainingSchedule/MyItems.aspx](https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO(OLD)/train/Lists/MSOTrainingSchedule/MyItems.aspx). **NOTE:** This is an internal VA website that is not available to the public.

j. MSO Customer Resource Center.

<https://vaww.vha.esp.va.gov/sites/PLOMSO/default.aspx>. **NOTE:** This is an internal VA website that is not available to the public.

k. VHA Procurement Manual 873. Health-Care Resource Specialized Procurements and Sharing Agreements under Title 38 U.S.C. 8153 SOP.

https://dvagov.sharepoint.com/sites/VHAProcurement/VHAPM/VHAPM_Part_873.aspx. **NOTE:** This is an internal VA website that is not available to the public.