

MEDICAL SHARING/AFFILIATE NATIONAL PROGRAM OFFICE

1. SUMMARY OF CONTENT: This new Veterans Health Administration (VHA) directive establishes the responsibilities of the Medical Sharing/Affiliate National Program Office (MSO) in developing policy, training, and providing oversight of Health Care Resources (HCR) sharing authority.

2. RELATED ISSUES: VA Directive 1663, Health Care Resources (HCR) Contracting - Buying Title 38 U.S.C. 8153, dated May 10, 2018, and VHA Directive 1217, VHA Central Office Operating Units, dated September 10, 2021.

3. POLICY OWNER: VHA Procurement & Logistics Office (19PLO), MSO is responsible for the content of this directive. Questions may be referred to the MSO mail group at VHACOMSOG@va.gov.

4. RESCISSIONS: None.

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 This VHA directive will continue to serve as national VHA policy until it is recertified or rescinded.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

**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 Department of Veterans Affairs (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 February 21, 2023.

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MEDICAL SHARING/AFFILIATE NATIONAL PROGRAM OFFICE**1. POLICY**

It is Veterans Health Administration (VHA) policy that the Medical Sharing/Affiliate National Program Office (MSO) provides administrative oversight and guidance when Department of Veterans Affairs (VA) medical facilities buy or sell services under health care resources (HCR) contracts and sharing agreements to ensure continued delivery of high-quality health care to Veterans. **AUTHORITY:** 38 U.S.C. § 8153.

2. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for ensuring overall VHA compliance with this directive.

b. **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 communication of this directive and its timely and successful implementation.

c. **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.

d. **Assistant Under Secretary for Health for Clinical Services/Chief Medical Officer.** The Assistant Under Secretary for Health for Clinical Services/Chief Medical Officer is responsible for:

(1) Identifying clinical quality standards and incorporating those standards into the Performance Work Statement (PWS) templates for HCR contracts.

(2) Reviewing of HCR contracts at thresholds established by Clinical Services program offices and identified in the VHA Procurement Manual (VHAPM) Part 873, Health-Care Resource Specialized Procurements and Sharing Agreements under 38 U.S.C. § 8153 SOP, dated March 3, 2022, available 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.

e. **Assistant Under Secretary for Health for Patient Care Services/Chief Nursing Officer.** The Assistant Under Secretary for Health for Patient Care

Services/Chief Nursing Officer is responsible for establishing clinical quality standards and incorporating those standards into a PWS in all Patient Care Services HCR contracts.

f. **Executive Director, VHA Procurement and Logistics Office.** The Executive Director, VHA Procurement and Logistics Office, 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 Directors and VA medical facility Directors to ensure all necessary action is taken and funding is obtained to address policies and strategies utilizing statutory authority pursuant to 38 U.S.C. § 8153 in a manner that meets the requirements of Federal, State and local statutes and regulations; applicable Executive Orders and VA and VHA directives.

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

(1) Providing administrative oversight on all HCR requirements as defined in VA Directive 1663, Health Care Resources (HCR) Contracting - Buying Title 38 U.S.C. 8153, dated May 10, 2018, and VHAPM Part 873, available at https://dvagov.sharepoint.com/sites/VHAProcurement/VHAPM/VHAPM_Part_873.aspx.
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(2) Ensuring mandatory usage of a PWS in all HCR contracts. **NOTE:** *The mandatory PWS templates are located on the MSO SharePoint site at [https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO\(OLD\)/default.aspx](https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO(OLD)/default.aspx) and <https://dvagov.sharepoint.com/sites/VHAProcurement/RPOC/BIT/default.aspx>. These are internal VA websites that are not available to the public.*

(3) Conducting reviews to ensure compliance with the statutory dollar threshold limits established in 38 U.S.C. § 8153, and for all HCR requirements pursuant to VA Directive 1663; VHA Directive 1660.01, Health Care Resources Sharing Authority-Selling, dated June 20, 2018; VHA Directive 1400.10, Health Care Resources Contracting: Educational Costs of Physician and Dentist Resident Training, dated May 20, 2020; VHA Directive 7026, Joint Acquisition of Medical Equipment, dated August 22, 2020; and VHAPM Part 873.

(4) Ensuring local HCR requirements processed through MSO do not conflict with community care purchasing authorities and the national Community Care Network contracts as implemented via the VA Maintaining Internal Systems and Strengthening Integrated Outside Network (MISSION) Act of 2018.

(5) Facilitating negotiations, performing VISN and VA medical facility pricing assistance and coordinating VA Office of Inspector General pricing verification for sole-source affiliate contract (SSAC) processed through MSO.

(6) Collaborating with the Office of Academic Affiliations in accordance with VA Directive 1663 on HCR requirements related to education and training programs and impacts on associated programs when procuring SSACs.

(7) Developing and deploying HCR training for stakeholders participating in buying, selling or sharing HCR in accordance with 38 U.S.C. § 8153 and VA Directive 1663 (see paragraph 3).

(8) Preparing an annual congressional report on activities conducted in the preceding fiscal year in accordance with 38 U.S.C. § 8153 to include recommendations for improvement and more effective administration of such activities.

(9) Ensuring that HCR guidance pertaining to processes is maintained by MSO on the MSO SharePoint website and in VHAPM Part 873.

(10) Granting waivers in accordance with VHA Notice 2022-01, Waivers to VHA National Policy, dated February 10, 2022, to HCR policies addressed in this directive; VHA Directive 1660.01; VHA Directive 1660.03, Conflict of Interest for Sharing of Health Care Resources, dated September 13, 2021; VHA Directive 7026 and HCR processes.

h. **Veterans Integrated Services Network Director.** The VISN Director is responsible for providing oversight for the VISN and VA medical facility for compliance with this directive and ensuring corrective action is taken when non-compliance is identified.

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

(1) Ensuring overall VA medical facility compliance with this directive and appropriate corrective action is taken if non-compliance is identified.

(2) Ensuring that mandatory MSO PWS templates are utilized when procuring and administering HCR requirements. **NOTE:** *The mandatory PWS templates are located on the MSO SharePoint website at [https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO\(OLD\)/default.aspx](https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO(OLD)/default.aspx) and <https://dvagov.sharepoint.com/sites/VHAProcurement/RPOC/BIT/default.aspx>. These are internal VA websites that are not available to the public.*

(3) Ensuring that VA medical facility leadership and supervisors complete mandatory Tier 1 MSO HCR Contracting Training for VHA Executives to mitigate conflict of interest risk and improve understanding of roles and responsibilities in the HCR process (see paragraph 3).

j. **Contracting Officer.** The Contracting Officer (CO) from each Network Contracting Office is responsible for:

(1) Ensuring performance of all necessary actions for HCR contracting, ensuring compliance with the terms of the contracts and agreements that they administer and safeguarding the interest of the United States in their contractual relationships.

(2) Assessing whether any potential conflicts of interest exist and consulting with Office of General Counsel upon identification of any potential conflicts of interest.

(3) Obtaining all required reviews in accordance with VHAPM Part 873 and addressing all review findings in accordance with VA Directive 1663.

(4) Updating Primary Care Outpatient Sites of Care contracts to latest clinical standards in PWS templates. Primary Care Outpatient Sites of Care contracts must be updated annually to reflect current clinical standards.

3. TRAINING

a. The following training is **required** for VA medical facility leadership and supervisors: Tier 1: MSO HCR Contracting Training for VHA Executives, Training Management System (TMS) ID# 4559204.

b. MSO has specialized trainings in TMS and delivers in person and online training to stakeholders including COs, Contracting Officer Representatives, VISN and VA medical facility leadership.

4. RECORDS MANAGEMENT

All records regardless of format (e.g., paper, electronic, electronic systems) created by this directive shall be 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.

5. BACKGROUND

a. In 1966, Congress authorized VA to purchase specialized health care and establish MSO under the VHA Procurement & Logistics Office, to be responsible for providing administrative oversight and guidance when supplies and services are being acquired or purchased under HCR pursuant to the statutory authority of 38 U.S.C. §§ 8151-8153. This new directive follows VHA Directive 1217, VHA Central Office Operating Units, dated September 10, 2021, guidance in identifying MSO as a national program office responsible for developing policies and strategies and providing tools to VISNs and VA medical facilities utilizing statutory authority pursuant to 38 U.S.C. § 8153.

b. MSO is accountable for Department-level processes for facilitating Veteran-centric care through safe and cost-effective HCR sharing agreements (selling or sharing) and contracts (buying) with affiliate partners and community care providers. Additionally, VA Directive 1663, identifies MSO responsibilities reviewing and approving HCR

procurements, facilitating clinical and legal reviews of HCR actions and ensuring HCR guidance is maintained on the MSO SharePoint website located at [https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO\(OLD\)/default.aspx](https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO(OLD)/default.aspx) and in VHAPM Part 873 located at https://dvagov.sharepoint.com/sites/VHAProcurement/VHAPM/VHAPM_Part_873.aspx.

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c. VHA Notice 2022-10, Review of VHA Operational Memoranda, dated August 24, 2022, requires national program offices to provide mandatory responsibilities through VHA directives rather than operational or informational memoranda. The notice also requires any mandatory responsibilities contained in such memoranda to be converted to VHA directives. Therefore, all mandatory guidance relevant to 38 U.S.C. § 8153 previously published as operational memoranda is incorporated into this directive regarding soliciting, awarding and administering sharing agreements and HCR contracts.

6. DEFINITIONS

a. **Affiliation.** An affiliation is a relationship between VA and an institution administering health professions education (HPE) programs or activities. The affiliation relationship implies that VA and the affiliate have a shared responsibility for HPE activities that is codified within the affiliation agreements. Affiliations are executed by a signed VA Office of General Counsel approved affiliation agreement. A VA medical facility may maintain multiple affiliations in the same profession or specialty.

b. **Health Care Resources.** HCR are a broad range of health and medical services, including hospital and ambulatory care, mental health services, medical and surgical services, examinations, treatment, rehabilitative services and appliances, preventive health care, home care, hospice, blood products, as well as medical specialties such as radiology and cardiovascular surgery. **NOTE:** *HCR 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 medical facilities.*

c. **Performance Work Statement.** A performance work statement is a statement of work incorporated into an HCR contract which describes the tasks a contractor is required to perform and has measurable outcomes to be monitored throughout performance of the contract.

d. **Sharing Agreement.** A sharing agreement is a legal agreement that is non-Federal Acquisition Regulation based and entered into by the VA and a sharing entity under the statutory authority of 38 U.S.C. § 8153.

7. REFERENCES

a. 38 U.S.C. § 8151-8153.

b. VA Directive 1663, Health Care Resources Contracting - Buying Title 38 U.S.C. 8153, dated May 10, 2018.

c. VHA Directive 1217, VHA Central Office Operating Units, dated September 10, 2021.

d. VHA Directive 1400.10, Health Care Resources Contracting: Educational Costs of Physician and Dentist Resident Training, dated May 20, 2020.

e. VHA Directive 1660.01, Health Care Resources Sharing Authority-Selling, dated June 20, 2018.

f. VHA Directive 1660.03, Conflict of Interest for Sharing of Health Care Resources, dated September 13, 2021.

g. VHA Directive 7026, Joint Acquisition of Medical Equipment, dated August 22, 2020.

h. VHA Notice 2022-01, Waivers to VHA National Policy, dated February 10, 2022.

i. VHA Notice 2022-10, Review of VHA Operational Memoranda, dated August 24, 2022.

j. VHA Procurement Manual Part 873, Health-Care Resource Specialized Procurements and Sharing Agreements under Title 38 U.S.C. 8153 SOP, dated March 3, 2022, available at https://dvagov.sharepoint.com/sites/VHAProcurement/VHAPM/VHAPM_Part_873.aspx.
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k. Medical Sharing/Affiliate Office SharePoint Website.
[https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO\(OLD\)/default.aspx](https://dvagov.sharepoint.com/sites/VHAProcurement/PLOMSO(OLD)/default.aspx).
NOTE: This is an internal VA website that is not available to the public.

l. VHA Acquisition Business Intelligence Tool (VABIT) SharePoint Website.
<https://dvagov.sharepoint.com/sites/VHAProcurement/RPOC/BIT/default.aspx>. **NOTE:** This is an internal VA website that is not available to the public.