US DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS HEALTH ADMINISTRATION

Denials of Emergency Care Claims

Management Advisory Memorandum	26-01111-117	July 17, 2026

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The Office of Inspector General (OIG) has released this management advisory memorandum to provide information on matters of concern that the OIG has gathered as part of its oversight mission. The OIG conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation except for the standard of reporting.

DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20001

May 8, 2026

MANAGEMENT ADVISORY MEMORANDUM

TO:	The Honorable John J. Bartrum, Under Secretary for Health Veterans Health Administration (10)
FROM:	Larry Reinkemeyer, Assistant Inspector General Office of Audits and Evaluations, VA Office of Inspector General (52)
THRU:	The Honorable Cheryl L. Mason, Inspector General VA Office of Inspector General (50)
SUBJECT:	Denials of Emergency Care Claims

The VA Office of Inspector General (OIG) is issuing this advisory memorandum to inform the under secretary for health that the Veterans Health Administration (VHA) is continuing to use processes that appear inconsistent with current law related to the payment of claims for reimbursement (or direct payment) of veterans' non-VA emergency care costs filed by third parties. It addresses allegations referred to the OIG by a congressional office that veterans' emergency care claims were being improperly denied.

Under 38 U.S.C. § 1725, VA is required to reimburse veterans for the reasonable value of emergency treatment in a non-VA facility. In lieu of reimbursing the veteran, the Secretary is authorized to make payment directly to the hospital or other healthcare provider that furnished the treatment or to the person or organization that paid for such treatment (third parties). Before 2022, 38 U.S.C. § 1725 did not prescribe a deadline for the submission of claims. However, in 2001, VA adopted regulations (38 C.F.R. § 17.1004) that established a 90-day limit for all claimants (both veterans and third parties) to file reimbursement or direct payment claims.[1]

In December 2022, section 142 of the Cleland–Dole Act modified 38 U.S.C. § 1725 by requiring that third parties submit claims for payment or reimbursement of non-VA emergency care not later than 180 days from the veterans' date of last treatment.[2] However, section 142 of the

[1] 38 C.F.R. § 17.1004 defines a claimant as "the entity that furnished the treatment, the veteran who paid for the treatment, or the person or organization that paid for such treatment on behalf of the veteran."

[2] Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022, Pub. L. No. 117-328. This law added a new subsection, 38 U.S.C. § 1725(f), to include the 180-day filing deadline for third parties to file claims. The law only modified the filing deadlines for third parties. The 90-day filing deadline for veterans under the regulation was not affected.

Cleland–Dole Act did not set a deadline for submission of veterans' claims for reimbursement.[3] VA has not yet amended its regulations to align with the Cleland–Dole Act's claims deadline. That is, despite the law setting a 180-day filing period for third-party claims, VHA continued applying the 90-day limit set by the 2001 regulation to these claims until October 2025. At that time, VHA's Office of Finance updated its process, in part, due to the OIG request for examination. The updated process still does not appear to fully align with the law.

According to the director of policy and planning for VHA's Office of Integrated Veteran Care (IVC), the updated process allowed processors to choose whether to follow the 90-day filing deadlines under the pre-Cleland–Dole Act regulation or the 180-day deadline set by law, based on what was "most advantageous" to the veteran.[4] As discussed in the following section, the director stated that when considering what was most beneficial to the veteran, they thought there could be instances when an event triggering the 90-day filing window could actually exceed 180 days.

As to impact, VHA's Office of Finance identified about 78,000 claims—with billed charges exceeding $373 million—that had been denied for failing to meet the 90-day time limit since the change in law on December 29, 2022, to 180 days.[5] As of the December 19, 2025, interview with the OIG team, VHA officials had not reviewed these 78,000 claims for errors or taken steps to compensate claimants when required. Although VHA began work to update federal regulations to conform with the revisions in the law, VHA had not done so as of May 7, 2026. Adjudication of non-VA emergency care claims will likely continue to be inconsistent with the statute until VHA updates its regulations and policies to comply with the governing law.

The OIG issues management advisory memoranda when exigent circumstances or areas of concern are identified by OIG hotline allegations or in the course of its oversight work, particularly when immediate action by VA can help reduce further risk of harm to veterans or significant financial losses. The OIG is not taking additional steps at this time.

Identified Issues

On July 30, 2025, Jerry Moran, the Senate Committee on Veterans' Affairs chairman, referred a whistleblower complaint to the OIG. The complaint alleged VHA staff were applying outdated regulations and incorrectly denying veterans' claims for reimbursement for emergency medical services received at non-VA facilities by not allowing veterans enough time to file for reimbursement. The complainant noted that VHA was mandated to follow 38 U.S.C. § 1725(f)

[3] Information provided by VHA in March 2026 indicates that denied claims filed by veterans account for a very small proportion of the claims for payment submitted under 38 U.S.C. § 1725.

[4] OIG team interview with IVC's director of policy and planning, December 19, 2025.

[5] Acting assistant under secretary for health response to the initial OIG request for information on the allegation regarding emergency care claims reimbursement denials, as transmitted to the OIG's congressional affairs team by the IVC congressional relations officer, November 26, 2025.

added by the Cleland–Dole Act.[6] The law, as amended at 38 U.S.C. § 1725(f), provides that "an individual or entity [i.e., third parties] seeking payment under subsection (a)(2) for treatment provided to a veteran in lieu of reimbursement to the veteran shall submit a claim for such payment not later than 180 days after the latest date on which such treatment was provided."[7] According to the complainant, VHA was improperly continuing to follow 38 C.F.R. § 17.1004 for reimbursement of veterans' healthcare expenses. This regulation (implemented on July 19, 2001, before the Cleland–Dole Act) applies to claims submitted by veterans and third-party payers and specifically requires that claims be submitted within 90 days following the latest of three dates: (1) the day of discharge, (2) death during emergency treatment or transportation, or (3) a veteran's failed effort to obtain third-party payment.

The OIG requested VHA's IVC examine the whistleblower complaint and associated concerns in August 2025. On November 26, 2025, VHA's acting assistant under secretary for health responded that VHA's Office of Finance identified over 78,000 claims that were denied since the Cleland–Dole Act came into effect that may be eligible for payment if its revised deadline for submitting claims was followed. Further, IVC was also working at that time with VHA's Office of Regulations, Appeals, and Policy on revising the relevant regulations. The OIG did not receive a response to a request for any communications between IVC and VA's Office of General Counsel on this issue.

The acting assistant under secretary for health's November response to the OIG's inquiries about the allegations included stating that the Cleland–Dole Act had drafting errors. The OIG followed up with an interview in December 2025 with IVC's policy and planning director, who asserted that IVC had issues with the Cleland–Dole Act and had drafted a legal clarification paper but that further guidance was not pursued.[8] Specifically, the director explained that there were concerns that the 180-day deadline required under the law could actually provide less filing time than the regulation's period to file claims 90 days from the date a veteran exhausted actions to obtain third-party payment. Because the law does not set a deadline for the submission of claims for reimbursement to veterans—only third parties—it is unclear what the specific concern involves. The law does not appear to affect veterans' ability to submit claims, as provided by regulations that allow up to 90 days after the exhaustion of actions to obtain third-party payment.

IVC's policy and planning director reported, therefore, that VHA's Office of Finance began processing non-VA emergency care claims as of October 1, 2025, using either the 90-day filing requirement from 38 C.F.R.§ 17.1004(d) or the 180-day filing requirement from the Cleland–Dole Act, whichever method the claims processor believed would benefit the veteran most. The director said he had not received leaders' approval for this change as of the OIG interview on

[6] The Cleland–Dole Act added subsection (f) and redesignated former subsection (f) as (h).

[7] The Cleland–Dole Act did not mandate any timeline for reimbursement requests submitted by veterans.

[8] OIG team interview with IVC's director of policy and planning, December 19, 2025.

December 19, 2025. The director was unaware of why VHA took no further action to obtain guidance or clarification on implementing the Cleland–Dole Act.

Consistent with the complainant's allegations from the congressional referral, the OIG concluded that VHA's continued use of the 90-day filing requirement from 38 C.F.R.§ 17.1004(d) for third-party claimants to be paid or reimbursed for veterans' non-VA emergency care appears inconsistent with the Cleland–Dole Act.

Requested Action

The OIG requests the under secretary for health consider the issues identified in this management advisory memorandum and report back to the OIG on any actions taken in response.

VA Management Comments

The under secretary for health acknowledged the findings and responded that VHA was implementing a series of corrective actions. The actions include reviewing affected claims, refining the internal claims processing guidance, and expediting necessary policy and regulatory updates to align with governing law.

Appendix A: VHA Comments

Department of Veterans Affairs Memorandum

Date: June 4, 2026

From: Under Secretary for Health (10)

Subj: Office of Inspector General (OIG) Management Advisory Memorandum for the Denials of Emergency Care Claims (VIEWS 14761926)

To: Assistant Inspector General for Audits and Evaluations (52)

1. Thank you for the opportunity to review the OIG's Management Advisory Memorandum regarding denials of emergency care claims. The Veterans Health Administration (VHA) notes that the OIG did not make any recommendations and appreciates the OIG's comprehensive review.

2. We have reviewed the findings and acknowledge that after the December 2022 statutory amendment, provider claims for non-Veterans Affairs emergency treatment were required to be filed within 180 days under 38 U.S.C. § 1725(f), but the VHA regulations associated with 38 C.F.R. § 17.1004 had not yet been updated to reflect this change. The interaction between the amended statute and the still-effective regulatory text presented implementation challenges. VHA addressed this issue by considering whether to process claims under the 90-day regulation or the 180-day statute, choosing an approach that benefited the Veteran most in each situation.

3. In response to the issues raised in the management advisory memorandum, we are implementing a series of corrective actions. This includes reviewing the affected claims, refining internal claims-processing guidance, and expediting necessary policy and regulatory updates to ensure our processes fully align with governing law.

The OIG removed point of contact information prior to publication.

(Original signed by)

John J. Bartrum, JD, MBA

The text of VA's management comments is reprinted verbatim as received from the department. For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

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