

VA Recovery Audit - Contract Implementation Specification Meeting Minutes

Date: 12/12/2000

Time: 8:00 AM to 4:00 PM

**Location: VA Health Administration Center
Denver, CO**

Attendees:

Veteran Affairs

Ralph Charlip, Director, Health Administration Center (HAC)

Glenn Corn, COTR, VA Recovery Audit, HAC

James Davis, Chief, Acquisitions and Material Management, HAC

Elaine Williams, Contract Officer, HAC

Carol Robinson, Chief Information Officer, HAC

Ryan Lilly, Chief Fiscal Officer, HAC

Kent Simonis, Director, Health Administration Services (HAS)

Al Brese, Chief Financial Officer, VISN 6

Sheldon Fine, Chief Financial Officer, VISN 21

George (Buzz) Gray, Director, VAMC, Little Rock

Pamela McGuire, VHA Logistics Operations Team Leader

Jenie Perry, Chief, Healthcare Information Systems, (AAC)

Charles Kastel, Chief MAS, Charleston VAMC

Contractor

Frank Kelly, Director, Business Development, Foundation

Bill Magro, Senior Vice President, Abacus Technology

Walter Jordan, Principal, Abacus Technology

Richard Pectol, Vice President, Abacus Technology

Joy Wilkie, Director, Managed Care Services, Foundation

Padra Randall, DRG Quality Coordinator, Foundation

Sharon Lopez, Manager, DRG Recoupment, Foundation

Ben Yates, Vice President, CFO, Foundation

Caludia Haser, Program Manager, IT, Foundation

Makini Enakaya, Program Manager, Systems, Foundation

Steve Westbrook, Director, Government Contracts, Foundation

John Pieters, Program Manager, Business Development, Foundation

Julie Susman, President and CEO, Jefferson Consulting Group, LLC

Opening Remarks/Introduction & Overview

- 1) Opening Remarks: Ralph Charlip opened the meeting and welcomed all attendees.
 - a) Introductions: Attendees made their own introductions.
 - b) Overview/Purpose: Overview and purpose provided.
- 2) Overview of Recovery Process – Contractor Perspective: Overview provided by Joy Wilkie, FHFS
 - a) Process Overview: Each participant was given a binder outlining the Department of Veterans Affairs DRG Recovery Audit Program. Joy Wilkie, FHFS, provided a very comprehensive overview of the entire audit process. Some of the discussion during the overview is listed in the VA Perspective Discussion below.
 - b) Process flow-chart: A process flow-chart was provided linking the various steps in the processes.
- 3) VA Perspective Discussion:
 - a) Ramp-up Concerns. The RASC presented concerns on the initial impact of medical record requests to VAMC's. The contractor estimated initial download of around 200,000 records. Of these initial records, the contractor estimated there would be around 32,000 records selected for further review. This would equate to around 28,000 to 30,000 medical record requests to the VAMCs and 2,000 to 4,000 requests to the HAC (for the entire contract). The contractor would like to have all requested records received within 6 to 9 months after contract award. Through discussion, the VA requested the contractor review their "flow-rate" (average amount of input they can handle) in order for the VA to determine a workable process for delivering the requested records (**ACTION-FHFS**). The VA also requested the listing to be sorted by VISN so they (VISN) can regulate and monitor the workload and ensure completion of the request on the due date or provide other discussion on when the requested records can be delivered. This was agreed to by the contractor. Ralph Charlip would like all requests to come at one time for the HAC in an effort to get the process moving quickly after start-up. This was agreed to by the contractor.
 - b) Record requests to VAMCs. The RASC asked if the records being requested from the VAMCs be requested by patient instead of by fiscal year. This would allow the record to be pulled only once verses multiple times with fiscal year requests (all fee files are patient specific). This was acknowledged by the contractor but further review of the process will need to be looked at to ensure this is workable (**ACTION-FHFS**).
 - c) Non-Fee & CITI Claims: Discussion was made concerning auditing non-fee and CITI (CHAMPVA In-House Treatment Initiative) claims. The RASC agreed that neither of these claims should be part of the audit.
 - d) VA Directive. Discussion was made concerning calls to the VAMCs from providers. Kent Simonis agreed that a VA Directive will be published outlining the duties and responsibilities of the VAMC Points-of-Contact and how to address questions brought to their attention by providers or other callers (**ACTION-HAS/Kent Simonis**).
 - e) Draft Letters. The Contractor presented (handout) eighteen draft program letters for review by the RASC. The VA agreed to review the letters and provide any modifications back to the contractor by January 2, 2001 (**ACTION-COTR/Glenn Corn**).
 - f) VA Representative Approval of Collection. The Contractor asked if the VA Representative needed to approve each collection effort as indicated in the Statement of Work. The RASC

agreed to eliminate the requirement for the VA Representative to approve contractor collection efforts. A modification will be made to the contract (Statement of Work) by the contracting officer (**ACTION-HAC/James Davis**).

- g) Medical Records not received form VAMC/Provider. The RASC requested that instead of dropping cases where medical records aren't received from the VAMCs or the provider, that the COTR be officially notified of the non-response for review by the RASC.
 - h) Monthly Reports. The Contractor requested to lengthen the due date for the monthly reports to the 15th day of the month. The RASC agreed to extend this due date providing an analysis will also be provided with each report. This was agreed to by the contractor. A modification will be made to the contract (Statement of Work) by the contracting officer (**ACTION-HAC/James Davis**).
 - i) Records Retention. The Contractor asked about the records retention for those cases being pursued (recovery records). Ralph Charlip referred this to the contracting officer for review and reply back to the contractor (**ACTION-HAC/James Davis**). The Contractor also asked about the availability of fee-file records maintained at the VAMCs. Kent Simonis indicated each VAMC should have records going back to FY 1995 forward in their files but sometimes they may not be complete and unavailable. He will check the records retention dates and provide this information to the COTR (**ACTION-HAS/Kent Simonis**).
 - j) Administrative Coordination. Ralph Charlip outlined that all communication in working issues and action items must be coordinated through the COTR (Glenn Corn). The contractor designated Walter Jordan, Abacus, as their POC to work with the COTR.
 - k) Weekly Conference Calls. There was mutual agreement to hold weekly conference calls between the RASC and the contractor. The contractor will set up the line and provide call-in numbers (**ACTION-FHFS**). The COTR will provide an agenda for the calls and formally document the meetings (**ACTION-COTR/Glenn Corn**). The calls will start on December 18, 2000 at 1:00 p.m., Eastern Standard Time. The calls will be every Monday except for holidays (December 25, 2000 and January 1, 2001).
- 4) Recovery Processing Issues (handout):
- a) Contract Clarification. Frank Kelly, FHFS, wanted to clarify if the contract start date was 90 days from contract award or if it could be 90 days from this Post Award Meeting. Ralph Charlip indicated that the 90 days was from contract award and the download of files from the AAC/HAC should begin by March 1, 2001. Frank Kelly indicated that they may not be ready to start work on that date due to some Information Technology issues. Ralph Charlip indicated the contract award was behind schedule and Congress was very anxious for the contract to start, and he felt it was premature to go through the extension process at this point. Ralph would like to address all the issues and work aggressively toward accomplishing them and then if it is apparent that the start date can't be met, then a more realistic extended date could be provided if necessary. Frank Kelly agreed to this action.
 - b) Threshold. The Contractor asked about setting a \$300 threshold on collection activities. The \$300 was based on FHFS experience in the TRICARE contracts. The RASC was not willing to put a threshold on debts to the government without even trying to collect as is consistent with VA collection policy. Ralph Charlip asked the HAC Fiscal Officer to review policy and provide input back to the RASC on the findings and also to do an analysis on what it would

cost to send out an initial and maybe a follow-up letter to the provider (**ACTION-HAC/Ryan Lilly**).

c) IT.

i) Points of Contact. Jenie Perry is the AAC POC and Carol Robinson is the HAC POC.

ii) Access

(1) Point of Presence.

(2) Data.

(a) Jenie Perry (AAC) and Carol Robinson (HAC) will verify that the data points are available as requested by the contractor (**ACTION-AAC/Jenie Perry; HAC/Carol Robinson**). The AAC will work with Health Administration Services (HAS) to define and grant the proper access to the Central FEE files.

(b) AAC will provide the contractor with file layouts, file names, coding conventions, sample jobs to run, a general overview of the FEE and Pricer/Grouper systems. AAC will provide a list of file names, file types, and locations on a data element basis using the list of data elements provided during the Oral Presentation (**ACTION-AAC/Jenie Perry**). Due to the historical nature of the data – different file layouts and data may be available from past years. For example, Y2K changes were not made retroactively throughout all historical data files.

(c) There was discussion about the contractor having high-speed line connectivity to the VA Network so they could send files (FTP) from AAC/HAC to their Rancho Cordova site. Ralph Charlip will contact the appropriate staff and find out how this can be done (**ACTION-HAC/Ralph Charlip**).

(3) Lockbox activity info. This will be addressed in the centralized check/offset/disbursement process.

(4) Email (Lotus Notes). The COTR has been able to receive attachments from the contractor.

iii) Download.

iv) Support. The Contractor will need access to any training/system documentation and help desk numbers. Will be provided by AAC/HAC.

v) Security Requirements.

(1) AAC will involve their Information Security Officer in this process and provide any local Security documents to the contractor (**ACTION-AAC/Jenie Perry**).

(2) HAC will involve their Information Security Officer in this process and provide any local Security documents to the contractor (**ACTION-HAC/Ralph Charlip**).

(3) VA Chief Information Officer will involve their Information Security Officer in this process and provide any VA Security documents to the contractor providing they are granted VA Network access (**ACTION-HAC/Ralph Charlip**).

(4) HIPAA Requirements

(5) Encryption

vi) Data Storage. All data is stored at the AAC/HAC with download capability.

- vii) **Data Location.** The contractor asked if there were any major system changes scheduled over the next three years. Jennie Perry and Carol Robinson indicated there weren't any major system changes scheduled at this time.
- viii) **Contingency Plans.** Both AAC and the HAC have contingency plans in place for data retrieval. AAC has a contract with Sunguard Systems in Philadelphia, PA. AAC will find out what portion of their disaster recovery plan is public and provide this to the contractor (**ACTION-AAC/Jenie Perry**). The HAC contingency plan is currently being updated and will be provided once finalized (**ACTION-HAC/Carol Robinson**).

5) Data Availability.

- a) **Current + 5 years.** RASC and Contractor agreed to modify collection period from Fiscal Year 1995 through Fiscal Year 2000. A modification will be made to the contract by the contracting officer (**ACTION-HAC/James Davis**).
- b) **DRG Grouper/Pricer (previous years)/interactive, real-time.** Contractor has requested on-line access to the AAC pricer/grouper system. This application is currently a batch application and real time access is not available. AAC, Abacus, and HAS are reviewing the options. Abacus is attempting to obtain a version of the software from HCFA that they can run locally and provide this access. If this is successful the AAC will provide the definition for pricing DRG's that is coded outside of the HCFA package. A 9% premium is added to the VA payments; however, the business logic for this 9% needs to be defined and finalized. If an on-line version of the Pricer/Grouper is not available, the AAC will work with Abacus to provide an on-demand cycle to submit data to the existing system (**ACTION-AAC/Jenie Perry**).
- c) **Provider contracts (previous years).** Kent Simonis indicated there were no provider contracts except for two regulatory contracts, which he will provide copies (**ACTION-HAS/Kent Simonis**).
- d) **Adjustment information online (checks/offset).** This will be part of the centralized check/offset/disbursement office being proposed.
- e) **Master patient index.** HAC has this availability but AAC does not.
- f) **Claims history.** Included in AAC and HAC data available for download.
- g) **Unique identifier (CHAMPVA/SB).** Use either the sponsor or individual patient social security number.
- h) **Date of admit vs date of discharge for fiscal year.** Clarification made that HAC uses date of discharge to calculate DRG and uses the TRICARE Grouper. TRICARE uses date of admit. FEE uses date of discharge and uses the Medicare Grouper.
- i) **ICD-9 CM (6 diagnosis/3 procedures).** FHFS questioned availability of standardized ICD-9 CM diagnosis of 9 and procedure of 6. AAC and HAC can provide the needed DX & PX codes.
- j) **Hard copies (fee basis)-record storage.** Hard copies of fee files can be maintained until no longer needed, and then properly destroyed.
- k) Process. There were no VA additions to the flow diagram.
- l) Letters.
 - i) **VHA authority.** The Contractor requested a VA policy citation be included in the medical

- record request (letter) going to the VAMC. Kent Simonis agreed will provide the exact citation wording for inclusion in all records requests to VAMCs (**ACTION-HAS/Kent Simonis**).
- ii) Introductory Letter. Not required for VAMCs since the program is mandated.
 - iii) Letterhead/logo (electronically). The RASC proposed for the contractor to use their own corporate letterhead and sign all letters that go the providers. This was agreed to by the contractor. A modification will be made to the contract (Statement of Work) by the contracting officer (**ACTION-HAC/James Davis**).
 - iv) Letter approval. The RASC will review and approve all letters (already an action item for RASC).
- m) Points of Contact/Email Addresses. The Contractor needs points of contact and email addresses. COTR will provide a total listing to the contractor.
- i) VAMCs – To be provided by HAS through the COTR for all 173 VAMCs (**ACTION – HAS/Kent Simonis**).
 - ii) HAC – Glenn Corn (COTR)
 - iii) AAC – Jenie Perry is the primary and she will provide additional staff as alternates (**ACTION-AAC/Jenie Perry**).
 - iv) IT (government systems) – Jenie Perry (AAC)
 - v) VISN – Will be provided by the COTR (**ACTION-COTR/Glenn Corn**).
 - vi) RASC – Glenn Corn (COTR) will be the RASC primary point of contact.
 - vii) Collection Letter Copies to VAMCs/COTR – The designated POC at each VAMC and the COTR will be the POC for receiving collection letter copies
 - viii) Program Integrity Issues – Glenn Corn (COTR) will be the Program Integrity Program primary point of contact. Joy Wilkie explained that once a provider shows a potential trend for billing errors, they will be flagged and all their claims reviewed.
- n) Audits: The Contractor asked about other audits. There are no other audit contracts being pursued by the VA at this time.
- o) Collection Process: The Contractor asked the RASC if they would be open to “best practices” in the industry to improve the current recovery process. Ralph Charlip indicated they would be open and would like to hear any recommendations the contractor has in improving the process.
- i) Frank Kelly, FHFS, stated that the current industry and best practices has a shorter billing period before the debt goes to offset. He recommended having collection letters sent at day “0”, day “30”, and day “60” followed immediately with the offset at day “61”. There was discussion if this was an option due to agency policy, etc. The RASC agreed to change the billing cycle as recommended if approval is obtained from General Council (**ACTION-HAC/James Davis**).
 - ii) Frank Kelly, FHFS, asked if the scope of the contract also included instances where the contractor, during the audit process, discovered the VA had paid as primary payor when in fact there was Other Health Insurance involved who also paid the provider (duplicate payment). The RASC agreed that this should already be part of the contract since it would indicate some sort of questionable activity or abuse by the provider. Ralph Charlip asked to have the contracting officer review with General Counsel to ensure it is within the scope of the contract (**ACTION-HAC/James Davis**).

- p) Reporting Requirements: The Contractor asked if the reports provided to the RASC at the Industry Forum were acceptable or if other reporting data points will be needed. The RASC will review the reports already provided and update as needed. The COTR will fax the reports to the RASC for review early next week with a suspense of two-weeks for comment (**ACTION-COTR/Glenn Corn**).
 - q) Invoice Process: The Contractor asked about the process for invoicing the VA for collections. This will be covered in the centralized check/offset/disbursement proposal.
 - r) VA Record Retention Period: This has been assigned to the Contracting Officer (action already being tracked).
 - s) Program Integrity Process: The Contractor asked about the process of program integrity notifications. The COTR is the VA's Program Integrity POC.
 - t) Training: The Contractor asked for onsite assistance to both the AAC and HAC as needed to educate their staff with the programs in place. AAC/HAC staff will be available to assist the contractor as needed.
 - u) Manuals: The Contractor asked to have appropriate access to VA manuals and guidelines (electronic preferred). All VA manuals and guidelines will be available.
 - v) Outpatient Payment Methodology: Not applicable to this contract.
 - w) Program Marketing: Frank Kelly asked if they had a part in any of the marketing for the contract. Ralph Charlip indicated the RASC will develop a marketing plan covering the next 90-days (**ACTION-COTR/Glenn Corn**). Kent Simonis indicated the VAMCs are mandated to support the contract and that having to "sell" the program would not be necessary. He is providing the framework and structure for the VISN/VAMC interface through VHA policy guidance. Frank Kelly offered to help on any of the marketing initiatives.
- 6) DRG changes in Master VA Systems: There was a concern by AAC that changes to the master FEE system would also change any historical reports and data. The RASC decided that previous reports and historical data would not be changed to correspond with current changes being made in the FEE file or the HAC master file. Annotations to the change will be made if possible to reflect the change for future record reviews or audits.
 - 7) Invoicing and Payment Processing and Issues: The RASC is proposing to centralize the check receipt and processing function with the offset and disbursement of funds process. Ralph Charlip handed out a proposed flow chart of the centralized process for review by the RASC and the contractor. Input and comments were requested on the process. This function will be established at the HAC with open book accounting principles (**ACTION-HAC/Ryan Lilly**).
 - 8) AAC invoicing FHFS: In discussions on IT issues, Kent Simonis clarified to FHFS that the Austin Automation Center (AAC) is a "franchised" operation and all services they provide is billed to the VA. The AAC will provide access to data as indicated in the Statement of Work, however, fees associated with using the access, etc., will be paid by the contractor. Initial consulting and download of data from the AAC costs will be covered under a work request against the Central VHA contract managed by the CIO's office at the AAC. Future IT costs will depend on the Pricer/Grouper access that is selected. Final details of this billing will be worked with Abacus, the AAC, and the COTR. Depending on the option this may be negligible - prior to determining a billing method an estimate of the costs will be made to assist in determining the billing mechanism. Jenie Perry will provide a listing of the services and associated costs to the contractor (**ACTION-AAC/Jenie Perry**). There was much discussion about this issue and Frank Kelly indicated they were unaware of these charges. Ralph Charlip indicated they could provide

a letter to the contracting officer of any concerns they have with this issue.

- 9) Implementation Meeting: The next Implementation Meeting will be held on January 23, 2001 in Rancho Cordova, California. The Contractor will provide information on lodging and meeting support for the meeting (**ACTION-FHFS**). Ralph Charlip asked that all RASC members try to attend.
- 10) Outstanding Issues: Outstanding issues will be fully documented in the meeting minutes and action offices/due dates established for each.
- 11) Summary and Adjourn: Ralph Charlip thanked all participants for attending and was very pleased with the cooperation and progress being made on the contract.

Glenn Corn
Recorder/COTR

Ralph Charlip, FACHE, FAAMA
Director, VA Health Administration Center

Atch - VA Recovery Audit Contract Implementation Action Item Listing