Audit Contract for Recovery of Community Care Overpayments

As part of Federal efforts to reduce the number and amount of overpayments, VA is required by law (38 U.S.C. 1703) to award a contract to audit VA community care claims and payments and to initiate the recovery of any overpayments. The current recovery audit contract was awarded to CGI Federal, Inc., and includes claims paid from FY2013-2017.

As part of the contract, CGI performs the audit work, receives a percentage of the recovered funds, and the remaining amount is allocated back to the original authorizing VA medical facility to support care and services for Veterans. More than 90% of the recovered funds gets returned back to the VA medical facility and, to date, over $10 million has been returned to VAMCs through this process.

Audit Process

The audit process consists of several steps during which CGI will review claims data, flag potential overpayments, work to retrieve funds, and recovered funds are returned to VA. Specific steps are outlined below:

1. VHA Office of Community Care (OCC) provides claims data to CGI for their review.
2. CGI analyzes the claims and flags potential overpayments. CGI requests additional information from OCC on the flagged claims to validate the overpayments.
3. Once the overpayments are validated, CGI sends letters to providers to identify the amount of the overpayment and provide instructions for the provider to refund the money.
4. Recovered funds are sent back to OCC’s Financial Management Office for allocation back to the authorizing VA medical facility.
5. A percentage of the recovered funds is also sent to CGI.

Frequently Asked Questions

What types of claims will CGI be reviewing as part of this audit?
CGI will review all claims paid under 38 U.S.C. 1703 from FY2013-2017, with a few exceptions. Care purchased under a contract and claims paid outside of the Fee-Basis Claims System (FBCS) are generally excluded.

Why has CGI issued so many findings letters related to physician-injectable drugs?
In June 2017, a VA OIG report concluded that VA should have been paying physician-injectable drugs, commonly referred to as “J-codes,” at Medicare rates, rather than billed charges, since February 2011. OIG recommended that VA recover overpayments and VA concurred with these recommendations. In response, OCC has asked CGI to prioritize J-code reviews.

What happens if a provider receives a letter for a claim they have already refunded back to the VA?
The provider should contact the call center listed in CGI’s findings letter, (888) 309-8058. Generally, the provider can submit a copy of the check showing that the overpayment was refunded already, and CGI will cancel the case.

What happens if a provider disagrees with CGI’s audit results?
CGI provides instructions for requesting reconsideration in the findings letters. Providers are always welcome to request reconsideration of an audit finding.

I thought VA conducted internal audits over VA Community Care payments. Why is the recovery audit contract necessary?
VA is required by law to conduct a recovery audit by contract. Our internal audits typically review statistically relevant samples of claims. The recovery audit, on the other hand, is a 100% review. The recovery audit benefits VA medical facilities by returning overpaid funds to be used to provide further care for Veterans.