

## **FACT SHEET - NATIONAL RECOVERY AUDIT CONTRACT FOR INPATIENT SERVICES UNDER PL 106-74.**

*Under Public Law 106-74, The Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 2000, the VA is required to conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payment for inpatient care.*

*Amounts collected, by offset or otherwise, are returned to the VAMC after the contractor's fees are paid. The contractor's fee is 33.5% of the collected amount. This contract covers FY 95-00.*

The acquisition process for this requirement started in February 2000 with contract awarded on December 1, 2000. The contractor, a partnership between Abacus Technology Corporation and Foundation Federal Health Services, begins operations on March 1, 2001. The contract is managed by a steering group: the Recovery Audit Steering Committee (RASC). This committee is composed of medical center directors, financial officials from medical centers and VISNs, Central Office staff, staff from the Austin Automation Center and the Health Administration Center (HAC).

The contractor and VA are currently "ramping up" operations for this contract. At this time it appears that most of the information that the contractor will require will come from the Austin Automation Center (AAC) and the Health Administration Center (HAC).

After a preliminary review of AAC and HAC data, the contractor will select certain cases for intensive review to determine whether (1) the correct codes were billed to the VA, (2) the correct codes were input by the VA for payment, and (3) the correct payment methodologies were applied. In these cases, medical centers will be asked to provide additional information. We estimate that approximately 28,000 to 30,000 cases (VA-wide) will be identified for review and the possibility exists that there will be the same number of record requests going to VAMCs for action. These requests will be routed through VISN and medical center points of contact that have already been established.

Policy guidance on the specific actions required by medical center staff will be issued from the Central Office, Health Administration Services staff.

Funds recovered, either through checks or offsets, will be tracked by a team at the Health Administration Center. This team will provide recurring reports to the VISN points of contact and the RASC. The process for returning Funds to the appropriate medical center is under development and will be available by mid-February 2001 through each VISN point of contact.

Inquiries (including those from VSOs, media and Congressional staff) on this contract from outside the VA regarding this contract, other than from the contractor, should be referred to contracting officer technical representative -- Mr. Tom Wayburn at 303-331-7507.

Additional information on this contract is available on an Internet site at [www.va.gov/hac](http://www.va.gov/hac).