

August 30, 2006

## NATIONAL RECOVERY AUDIT FOR NON-VA HOSPITAL SERVICES

**1. PURPOSE:** This Veterans Health Administration (VHA) Directive authorizes the Veterans Integrated Service Network (VISN) non-Department of Veterans Affairs (VA) Care Coordinator to appoint non-VA Care field station contacts.

### 2. BACKGROUND

a. Public Law 108-199, Consolidated Appropriations Act, 2004 states: "The Secretary of Veterans Affairs shall conduct by contract a program of recovery audits for the fee basis and other medical services contracts with respect to payment for hospital care. Notwithstanding section 3302(b) of Title 31 United States Code, amounts collected, by setoff or otherwise, as the result of such audits shall be available, without fiscal year limitation, for the purposes for which funds are appropriated under 'Medical services' and the purposes of paying a contractor a percent of the amount collected as a result of an audit carried out by the contractor."

b. The scope of this audit includes any date of service for non-VA inpatient related services from Fiscal Year (FY) 2003 through FY 2006.

**3. POLICY:** It is VHA policy that each VISN non-VA Care Coordinator is authorized to appoint, as applicable, a non-VA care field station contact in order to facilitate and assist with all administrative aspects of the non-VA fee care audit process provisions as outlined in Public Law 108-199.

### 4. ACTION

a. **Non-VA Care Coordinator.** Non-VA Care Coordinator is the point of contract for the VA DRG Recovery, and as such is responsible for:

(1) All communication of pertinent information to appropriate employees within the VISN.

(2) Ensuring that a complete and updated list of the applicable field station's non-VA care contacts is maintained and forwarded to Contracting Officer Technical Representative (COTR), Health Administration Center. *NOTE: The non-VA care field station contact may be a collateral assignment.*

b. **Non-VA Care Field Station Contact.** The non-VA care field station contact has the responsibility for, but is not limited to: (see Attachment A for process):

(1) Coordinating with both VA and non-VA authorized personnel in the audit process.

**THIS VHA DIRECTIVE EXPIRES AUGUST 31, 2011**

**VHA DIRECTIVE 2006-047**

**August 30, 2006**

(2) Providing liaison support for the Network Non-VA Care Coordinator, VHA Central Office, and the COTR, Health Administration Center, Denver, CO.

(3) Providing the contractor with copies, as requested and identified by written correspondence, of the complete fee-basis file for the dates of service identified for review.

*NOTE: VA is not required to obtain information from an external source to satisfy the contractor request.*

(a) Providing the requested copies within 30 days of receipt of request.

(b) Providing notification of the unavailability of requested documents and/or material.

(4) Providing, upon request, documentation outlining the specific payment scenario and the reimbursement amount for each requested case.

(5) Providing, upon request, recalculation for those cases originally paid as an inpatient DRG and subsequently found to be outpatient observation, based on the applicable payment methodology.

**5. REFERENCES:** Public Law 108-199, Consolidated Appropriations Act, 2004.

**6. FOLLOW-UP RESPONSIBILITY:** The Office of the Director, Health Administration Center (162) is responsible for the content of this Directive. Questions may be referred to the COTR, Health Administration Center at (303) 331-7516.

**7. RESCISSION:** None. This VHA Directive expires August 31, 2011.

Michael J. Kussman, MD, MS, MACP  
Acting Under Secretary for Health

DISTRIBUTION: CO: E-mailed 9/1/06  
FLD: VISN, MA, DO, OC, OCRO, and 200 – E-mailed 9/1/06

ATTACHMENT A

PROCESSING REQUESTS FOR SUPPORTING VA MEDICAL AND CLAIMS  
PAYMENT DOCUMENTATION

1. Public Law 108-199 requires the Department of Veterans Affairs (VA) to conduct by contract a post-payment audit of fee basis and other medical service contracts with respect to payment for hospital care. The scope of the audit includes any dates of service during Fiscal Year 2003 through Fiscal Year 2006. This contract was awarded to TSystems Group who in partnership with HealthNet (HN) Federal Services will conduct the post-payment audits. The contractor must require medical documentation from selected fee basis files relating to identified fee payments associated with the conduct of the audit.
2. Each Veterans Integrated Services Network (VISN) has a designated VISN Non-VA Care Coordinator who is responsible for:
  - a. Receiving all medical record requests.
  - b. Monitoring and tracking the requests for action and timeliness of response.
  - c. Tasking the appropriate VA facility with supplying the requested information directly back to the contractor.
3. Each VA medical center has a designated non-VA care field station representative who is responsible for ensuring that requested documentation and information from VA files is provided to the contractor within 30 days of its request. *NOTE: VA is not required to obtain information from an external source to satisfy a contractor documentation request; however, the contractor must be notified of any unavailable documentation.*
4. The following process has been designed to facilitate medical documentation requests and disclosures to the “Contractor Request for Documentation:”
  - a. The Contractor must submit a request for supporting documentation to the designated VISN Network Non-VA Care Coordinator.
  - b. Each request must include the following information:
    - (1) A preamble with the following wording: “As authorized by VA contract V714P-049, VA DRG Recovery Audit Contract, the following documentation is needed to complete the post payment audit for the identified veteran. The Contractor acknowledges and agrees that the Privacy Act of 1974, 5 U.S.C. 552a the HIPAA Privacy the Rule 45 CFR parts and 160 and 164, signed BAA and the regulations and general instructions issued by VA pursuant thereto are applicable to this request, as required by the contract in Section C, Security. The documentation provided by VA in the conduct of this audit will not be disclosed to any other third party unless authorized by VA.”
    - (2) The request must contain the following identifying information listed by veteran:

**VHA DIRECTIVE 2006-047**

**August 30, 2006**

- (a) Veteran's last name and first name.
- (b) Veteran's social security number.
- (c) Date of admission and date of discharge.
- (d) Identification of health care provider.

(3) The request must state the information required to successfully conduct the post-payment audit for the episode of care, which may include:

- (a) Billing documentation (e.g., (UB) Form 92, Health Care Financing Administration (HCFA) Form 1500).
- (b) VA authorization (days of care authorized, disposition).
- (c) VA Diagnostic Resource Group (DRG) pricer data.
- (d) All medical documentation submitted by the health care provider in support of the claim.
- (e) VA payment record (Veterans Health Information Systems and Technology Architecture (VistA)) fee basis data input to pricer grouper and payment authorization, including amount of payment and check number.
- (f) The VA record of collection actions regarding payment of the claim, if applicable.
- (g) Any other specific information.

(4) The request must include the requester's full name, title, organization, e-mail address, and telephone and facsimile number.

***NOTE:** Any request submitted without the preceding cited information will not be honored.*

5. The VISN Non-VA Care Coordinator must, upon receipt of the contractor's request for supporting documentation, direct the request to the designated Non-VA Care field station contact. The request is to be controlled and maintained to ensure that the requested documentation is provided to the contractor within 30 days of receipt. At a minimum, the following data elements must be included:

- a. Date the request is received.
- b. Date the documentation is provided to the Contractor.

6. The non-VA Care field station contact, upon receipt of the request for information must:

- a. Locate, identify, and copy the requested documents.

- b. Mail the documents to the Contractor with a printout of the request to:

HealthNet Federal Services  
DRG/Recoupment Unit, 1st Floor  
2025 Aerojet Road  
Rancho Cordova, CA 95742-6401

- b. Record the disclosure in accordance with VA's Privacy Act policy. A copy of the documents must be maintained in the veteran's consolidated health record.
- c. Inform the Contractor if the requested documentation is not available.
- d. Reply to the request message with a copy to the VISN Non-VA Care Coordinator with the date and content of the disclosure.