

Report on Medicare Compliance Volume 30, Number 18. May 10, 2021 More RAC Audits Are Coming, This Time From VA for Community Care

By Nina Youngstrom

Another recovery audit contractor (RAC) is coming to town, this time by way of the Department of Veterans Affairs (VA). Providers who treat veterans through community programs, which free them to get care outside of VA medical centers, should prepare for audits, an attorney said. The VA has identified billions of dollars in overpayments for physician-administered drugs, critical access hospitals, home health services, skilled nursing facility admissions and other services.

“I have half a dozen settlements in process from J code audits,” said attorney Stephen Bittinger, with K&L Gates in Charleston, South Carolina. Providers may be able to work directly with the VA, however, if they self-audit, he said. That will probably reduce their overpayment amount.

The VA hired the RAC, HMS Federal Solutions, to recoup overpayments that the VA Office of Inspector General (OIG) identified in audits. The OIG focused on payments to community care providers, which are based on Medicare rates. For example, in a 2017 audit^[1] of physician self-administered drugs in Florida prompted by a tip to the OIG hotline, OIG found the VA’s Florida claims processing centers “did not reimburse a non-VA care provider based on the applicable Medicare rates, when appropriate.” The initial review concluded there were \$28,295 in overpayments stemming from 52 of the 55 “examples” provided by the tipster. The OIG expanded its review to all payments for non-VA care providers by Florida VA facilities for physician-administered drugs from Oct. 1, 2012, through March 31, 2016. The findings: they were overpaid about \$17.2 million.

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