



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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December 1, 2011

MEMORANDUM

TO: The Honorable Charles J. Colgan
Chairman, Senate Finance Committee

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee

FROM: Cynthia B. Jones 
Director, Virginia Department of Medical Assistance Services

SUBJECT: Report on Cost Recovery Activities

Item 297 VVVV of the 2011-2012 Budget Bill gives the Department of Medical Assistance Services (DMAS) authority to pay contingency fee contractors, engaged in cost recovery activities, from the recoveries that are generated by those activities. All recoveries from these contractors shall be deposited to a special fund. After payment of the contingency fee, any prior year recoveries shall be transferred to the Virginia Health Care Fund

Beginning November 1, 2011 and each year thereafter, the Director of DMAS shall report to the Chairmen of the House Appropriations and Senate Finance Committees the increase in recoveries associated with this program as well as the areas of audit targeted by contractors.

The Department, as mandated by the Centers for Medicare & Medicaid Services, is in the process of drafting a Request for Proposal (RFP) to solicit bids from contractors to perform recovery activities on a contingency fee basis. Thus, there are no findings associated with recovery activities to report.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

CBJ/vpp

Cc: The Honorable William A. Hazel, Jr., M.D., Secretary of Health and Human Resources