DEPARTMENT OF VETERANS AFFAIRS

OFFICE OF INSPECTOR GENERAL

Office of Contract Review

VETERANS HEALTH ADMINISTRATION

Summary of Fiscal Year 2019 Preaward Reviews of Healthcare Resources Proposals from Affiliates

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Executive Summary

Since 1999, the VA Office of Inspector General's (OIG) Office of Contract Review has performed preaward reviews of VA affiliates' healthcare resources proposals with an anticipated contract value of at least $400,000 per year.[1] VA has partnerships called affiliations with college and university medical schools and clinical health education programs and the hospitals, physicians, and practice groups associated with them from which it can procure healthcare resources. In general, these healthcare resources contracts allow VA to fill positions for which the department is unable to hire and to obtain a specified service for a fixed fee. The primary purpose of the OIG's preaward reviews is to provide information that the contracting officers can use as they negotiate fair and reasonable prices.

Preaward reviews are not published due to the sensitive commercial information contained in them. Thus, to promote transparency, this report summarizes the 27 preaward reviews of healthcare resources proposals the OIG conducted during fiscal year 2019. It details how many proposals were not supported by appropriate price or cost data and describes recommendations the OIG made to inform contracting officers' decisions and negotiating position.

Potential savings are considerable. The proposed contract value for the 27 proposals submitted for review was approximately $198 million, including $138 million for 77,701 full-time-equivalent hours of provider services and $60 million in per procedure services.[2] As of April 6, 2020, 22 of the 27 proposals led to contracts being awarded in which the OIG identified $26.8 million in savings for VA. Contracts have yet to be awarded in the remaining 5 proposals. Of note, in one of the 27 preaward reviews, the OIG recommended that no award be made due to an affiliate's refusal to provide supporting documentation of providers' salaries.

This report is meant to provide VA and its stakeholders general information regarding the findings of the OIG's 27 preaward reviews and demonstrate the importance and the value of preaward reviews. It does not contain any formal recommendations for VA response, but should provide VA leaders with additional perspective on how contracting personnel

[1] VA Directive 1663, *Health Care Resources Contracting – Buying*, August 10, 2006. The directive established the threshold for OIG review of affiliated sole-source proposals at $500,000 per contract. However, the directive was revised on May 18, 2018, lowering the threshold to $400,000 per year.

[2] In per-procedure pricing, each procedure has a set fee based on the Medicare price list using the current procedural terminology code associated with the procedure and includes certain services, depending on the procedure.

can make the most effective use of VA resources. The information in this report is meant to help guide consistent treatment of similar proposals in the future.

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Abbreviations

FAR	Federal Acquisition Regulation
FTE	full-time-equivalent
FY	fiscal year
OIG	Office of Inspector General
U.S.C.	United States Code
VHA	Veterans Health Administration

Introduction

The VA Office of Inspector General's (OIG) Office of Contract Review performs preaward reviews of proposals submitted to VA. The primary purpose of preaward reviews is to validate prices in the proposals to provide information that VA can use when it negotiates with contractors before making awards. Preaward reviews are required by VA policy to facilitate informed decision-making and help prevent fraud, waste, and abuse.

One type of acquisition for which the OIG provides preaward services is under VA's affiliate program. VA has partnerships called affiliations with college and university medical schools and clinical health education programs and the hospitals, physicians, and practice groups associated with them. VA is authorized by statute to procure healthcare resources from affiliates on a sole-source basis—that is, without competition.[3] The purpose of this report is to summarize the findings and impact of the OIG's 27 preaward reviews of sole-source healthcare resources proposals made to VA in fiscal year (FY) 2019. The Veterans Health Administration (VHA) spent more than $155 million in FY 2019 on sole-source procurements from affiliates.[4]

Background

One of VA's statutory missions is to assist and participate in education and training programs for students and residents in the health professions.[5] VA's physician education program is conducted in collaboration with 144 of 152 medical schools accredited by the Liaison Committee on Medical Education, and all 34 schools granting Doctor of Osteopathic Medicine degrees. In addition, more than 40 other clinical health education programs are represented by affiliations with over 1,800 unique colleges and universities.[6] Title 38 of the United States Code (U.S.C.), section 8153 provides that if a healthcare resource is acquired from an affiliated institution and is for a commercial service or commercial item, the acquisition is approved for other-than-full-and-open competition, such as sole-source procurement.[7] Sole-source procurements can be with an affiliated institution or with a teaching hospital, individual physician, or practice group associated with the affiliated institution. Other procurements may be sole-sourced if there is written justification in accordance with section 3304(e) of Title 41. In general, these sole-source awards allow VA to fill positions for which the department is unable to hire and to obtain a

[3] 38 U.S.C. § 8153.

[4] The amount reflects obligation amounts only and includes modifications, orders, and contracts.

[5] 38 U.S.C. § 7406 as implemented by VA Directive 1400.09(1), *Education of Physicians and Dentists*, September 9, 2016.

[6] "Academic Year 18-19 Statistics: Health Professions Trainees," VA website, accessed January 8, 2020, https://www.va.gov/OAA/docs/OAA_Statistics_2019.pdf.

[7] 38 U.S.C. § 8153(a)(3)(A).

specified service for a fixed fee. VA Acquisition Regulation 842.102 assigns audit responsibilities to the OIG's Office of Contract Review.

VA Directive 1663 sets forth VA policy for implementing Title 38 U.S.C. § 8153 and allows sole-source contracts to be awarded to affiliated educational institutions or other related healthcare entities affiliated with VA (as defined in 38 U.S.C. § 7302).[8] The directive states that these sole-source contracts shall be the preferred method for procuring healthcare services when the services include duties relating to a professional healthcare residency program. The directive also states that sole-source affiliate contracts for services that are not associated with a residency program must demonstrate that the award would represent the best value to the government. The directive allows sole-source contracts for the use of medical equipment, space, home oxygen services, transcription services, grounds maintenance, laundry services, or other services that are nonclinical in nature; however, the Office of Contract Review did not review proposals for these services in FY 2019.

According to the Federal Acquisition Regulation (FAR), contracting officers are to establish the reasonableness of offered prices through either cost or pricing data. As there is no competition in these sole-source procurements, the contracting officer must rely on either data related to prices (e.g., market data) or data related to the costs incurred by the contractor.[9] For these procurements, market prices are not available because the affiliate does not generally offer the physician services to other facilities and because VA typically requires the physician to be a professor at the affiliate in order to fulfill requirements of the residency training program. Therefore, the OIG uses the affiliate's cost information to determine the recommended rates.

The directive states the contracting officer must submit contracts valued at $400,000 annually to the OIG for preaward reviews and that contracting officers may ask the OIG to provide assistance in determining and validating the actual costs to the affiliated educational institution for other procurements. The directive further states that in providing verification assistance, the OIG shall review supporting documents, accounting records, and any other pertinent data necessary.

Since November 12, 1999, the OIG's Office of Contract Review has performed preaward reviews of sole-source offers made to VA by affiliated educational institutions or their affiliated practice groups. The Office of Contract Review has occasionally reviewed sole-source offers from entities that are not associated with an educational institution for services deemed to be necessary to healthcare operations.

[8] VA Directive 1663, Health Care Resources Contracting – Buying, May 10, 2018.

[9] FAR part 15, sub. 15.4, 15.402, "Pricing policy," January 21, 2020.

Review Process

To help VA determine fair and reasonable contract prices,[10] the Office of Contract Review staff have three primary review objectives:

1. Determine if the proposed hourly rates are adequately supported by data in the affiliate's accounting system and provide pricing recommendations.
2. Evaluate offered per-procedure prices and provide pricing recommendations using Medicare rates.[11]
3. Determine if there are any potential conflicts of interest.

During a review of a proposal for hourly rates, the OIG asks the affiliate to provide information from the affiliates' accounting and other systems that supports the various cost elements to provide the solicited services at VA. Common cost elements include the providers' salaries, fringe benefits, malpractice insurance premiums, continuing medical education, bonuses, and expenses associated with administering the contract. To review these elements, the OIG reviews the affiliate's supporting documentation, which commonly includes salary agreements; fringe benefit data from the accounting system or forward pricing rate agreements from the cognizant audit agency,[12] in this case the Department of Health and Human Services; insurance billing statements; training policy; and bonus policy and historical expenses.

Further, staff discuss the documentation with the affiliate and the contracting officer, and evaluate the information in accordance with applicable criteria:

- Title 38 U.S.C. § 8153
- FAR, subparts 31.2, 12.207, 16.203, and 7.105
- VA Acquisition Regulation, subparts 806.302-5, 842.102, and 852.270-1
- VHA Procurement Manual, part 815.404, "Medical Sharing Office Healthcare Pricing Standard Operating Procedures"
- VA Directive 1663, *Health Care Resources Contracting – Buying*
- VHA Handbook 1660.03, *Conflict of Interest for Aspects of Contracting for Sharing of Health Care Resources*
- Centers for Medicare and Medicaid Services Fee Guidelines

[10] FAR part 15, sub. 15.4, 15.404-1, "Proposal analysis techniques," January 21, 2020. Paragraphs (b) and (c) require a fair and reasonable determination, accessed on January 10, 2020.

[11] Per procedure refers to pricing in which each procedure has a set fee based on the Medicare price list using the current procedural code associated with the procedure and includes certain services, depending on the procedure.

[12] A forward pricing rate agreement involves the cognizant audit agency establishing indirect rates, typically for fringe benefits and overhead, for a set amount of time in the future.

A Synopsis of the Preaward Reviews

The cumulative amount for the 27 healthcare sole-source proposals reviewed was approximately $198 million.[13] Collectively, the 27 proposals included 77,701 annual hours of physician and other provider services (37.36 full-time-equivalent employees or FTE) and seven proposals with indefinite quantities of services priced per procedure.[14] The OIG's findings in each of the 27 issued healthcare preaward reviews are summarized in the following sections, with the hourly rate costs presented first, followed by per-procedure amounts.

Evaluation of Costs Underlying Proposed Hourly Rates

For the 23 proposals reviewed with full-time-equivalent or hourly rate pricing, the OIG determined that in every case the prices offered to the government were higher than the supported amounts.

The greatest unsupported costs were attributed to proposed on-call expenses that were not supported by actual expenses (see table 1 on the following page). VHA policy is to exclude proposed on-call amounts unless the provider is actually paid separately by the affiliated institution for the on-call duty.[15] An estimated 75,975 hours of on-call services were included in the proposals reviewed. When the affiliate does not pay the provider for on-call hours, all amounts paid by VA for on-call services become profit to the affiliate.

The most common issue the OIG reported on during FY 2019 was incorrect or unsupported provider salaries. Frequent causes of these findings are bonus or incentive amounts that are contingent on the provider's performance during a specified period that have been included in the base salary. According to VHA policy, compensation that was contingent on performance (a bonus) should be removed from the salary amount and placed in a separate line item, to be paid proportionate to the provider's service at VA after the bonus was paid to the employee.[16]

Other frequently occurring issues were incorrect or unsupported fringe benefit amounts, escalated option year amounts, incorrect or unsupported malpractice insurance premiums, and unallowable overhead expenses. The OIG questioned fringe benefit amounts and malpractice insurance premiums without support in the reports, as well as escalated amounts for option

[13] Proposals were typically for five years.

[14] Three of these proposals included both per-procedure prices and hourly rates.

[15] VHA Procurement Manual, "MSO Healthcare Pricing SOP."

[16] VHA Procurement Manual, part 815.404, "MSO Healthcare Pricing SOP," September 23, 2013.

years.[17] The OIG also questioned all overhead amounts, which are expressly unallowable and include "Dean's Tax, University Overhead, and Clinical Department Overhead."[18] Another issue identified during FY 2019 was incorrect or unsupported administration expenses. The cost of administering the contract is allowable; however, the OIG was unable to verify the administrative costs for nine of the proposals reviewed. Table 1 presents the dollar value and frequency of various findings in FTE proposal reviews during FY 2019.

Table 1. Hourly Rate Findings (by Recommended Cost Savings)

Finding	Recommended cost saving total	Occurrences among the 23 FTE proposals
Unsupported on-call expenses	$23,768,211	11
Incorrect or unsupported salary amount	$13,197,227	19
Escalated option year amounts	$4,629,583	14
Unallowable overhead expenses	$3,415,677	12
Incorrect or unsupported fringe amount	$2,437,384	17
Profit*	$2,244,784	
Unsupported paid time off	$1,893,475	4
Incorrect or unsupported administrative expenses	$1,462,443	9
Incorrect or unsupported malpractice premiums	$1,383,493	13
Incorrect or unsupported other direct costs	$662,728	1
Incorrect or unsupported continuing medical education	$55,253	5
Total	**$55,150,258**	

Source: Analysis of OIG reports

Note: Some proposals have more than one occurrence, so occurrences exceed the number of proposals reviewed. Cells for which data are not applicable are blank.

**Profit was attributed to proposals that used unsupported multipliers to the contractor-calculated expenses.*

An element of the hourly rate calculation that is not a cost element, but which has a significant impact on the rate, is the number of annual hours used in the calculation. In seven of the proposals reviewed in FY 2019, the affiliate's hourly rate calculation included a reduced number

[17] Escalated amounts for option years are not allowed when affiliates submit proposals in response to VHA solicitations containing an economic price adjustment clause. The clause allows affiliates to submit new information and get a contract price changed if their costs increase. Most of the proposals the OIG reviewed were submitted in response to contracts with the economic price adjust clause; the OIG recommends that VHA contracting officers put an adjustment clause in all solicitations.

[18] VHA Procurement Manual, "MSO Healthcare Pricing SOP."

of hours from the annual standard of 2,080 (40 hours per week times 52 weeks in a standard year), typically citing training, meetings, and/or paid time off as reasons for the reduction. In each case, the affiliate reported not tracking the total number of hours the provider worked. The OIG used the standard 40-hour work week as the basis for the rate in the absence of definitive hours worked. Table 2 illustrates the difference in hourly rates from using varying numbers of annual hours in the calculation.

Table 2. Example Hourly Rates Based on Providers' Varying Work Hours (by Lowest Annual Hours)

Provider	**Total salary, benefits, and other costs** a	**Average *weekly* work hours** b	**Annual hours** c = b x 52	**Hourly rate** a / c
A	$300,000	35	1,820	$164.84
B	$300,000	40	2,080	$144.23
C	$300,000	50	2,600	$115.38
D	$300,000	60	3,120	$96.15

Source: OIG analysis

The OIG also noted issues with incorrect or unsupported continuing medical education, unsupported paid time off as a separate element of cost, and incorrect or unsupported other direct costs in a few of the reviews issued during FY 2019.

Evaluation of Offered Per-Procedure Prices

Of the seven proposals reviewed with per-procedure pricing, the OIG determined that six offered prices higher than the properly computed Medicare rate. The OIG recommended that contracting officers obtain lower prices than those offered in each of the proposals.

Medicare establishes rates for physician services. The current procedural rates established by Medicare, which typically change at least once a year, cover the cost of the provider, malpractice insurance, and facility overhead. Medicare rates also include a geographic adjustment factor. Medicare also establishes rates for inpatient care for various procedures using diagnostic codes. The codes are specific to the facility and are based on data provided by the facility to Medicare regarding costs for the procedures the facility performed during the previous year. VHA policy is to use these Medicare rates for per-procedure pricing.[19] In five reviews, the OIG found the affiliate's proposal was based on an outdated Medicare rate schedule, and two proposals included a markup above the Medicare rate.

[19] VHA Procurement Manual, "MSO Healthcare Pricing SOP."

One of the proposals was for heart transplant services, for which charges vary widely and are unique to each facility and patient. In this case, VA structured the solicitation schedule on a fixed price per heart transplant rather than using a more flexible method that would reflect the individual patient's needs. This approach incorporates risk for both VA and the affiliate as transplant patients' care varies. One reason for the inherent uniqueness in each case is the underlying health of the individual. Patients undergoing transplant surgery frequently experience co-occurring conditions that complicate their treatment for the surgery. The OIG report suggested VA consider structuring the solicitation and schedule so that each transplant is paid for based on the unique attributes of each patient's care. This is accomplished by having a firm fixed-price amount for the hospital stay, per Medicare's pricing, and a list of procedural codes for the physician and anesthesiology services. The procedural codes allow the flexibility for the affiliate to bill for the services rendered to each patient. In one report, the OIG recommended the VA contracting officer should, at a minimum, acknowledge the risk, quantify it, and decide whether it is willing to accept the risk of a fixed rate.

Another issue with the heart transplant solicitation and proposal was that stipulating a length of stay in the solicitation and establishing a per diem amount for days in excess of the length of stay produces the likelihood of being double billed for services. Included in the diagnostic code for inpatient procedures is an average length of stay, as experienced at that facility for that procedure. As the solicitation's specified length of stay was significantly shorter than the length of stay included in the diagnostic code, VA was at risk of paying for the procedure via the diagnostic code rate and paying per diem for days that were included in the diagnostic code rate.

For per-procedure services performed at VA, the Medicare rate is adjusted by removing the facility portion, as VA is providing the facility. Three proposals erroneously included the facility portion of the Medicare rate. VHA policy is that per-procedure contracts for services performed at VA must be approved by the network director based on written justification that they are in the best interest of the government.[20] However, in one instance during FY 2019, the contract file did not contain the required approval.

Three reports looked at proposals involving both per-procedure and FTE pricing. On one of the proposals, the affiliate had altered the solicited FTE requirement into a hybrid pricing format. In each report, the OIG cautioned the contracting officer of the high risk of paying double for services because the clinic services were solicited on an FTE basis, and each per-procedure charge (procedural code rate) includes both pre- and postoperative care, which occurs in the clinic. Thus, VA is at risk of paying for pre- and postoperative care via both the per-procedure charge and the FTE clinic services. In another report there was one primary provider that would perform services under both hourly and per-procedure pricing; the OIG recommended that VA

[20] VHA Procurement Manual, "MSO Healthcare Pricing SOP."

consider soliciting the required services strictly on an FTE basis for an estimated cost savings of about $143,000 annually.

Prior to FY 2019, VHA had a written policy that option years would not be separately priced, and the contract would include an economic price adjustment clause to protect VA and the affiliate.[21] However, the revised Directive 1663 does not address option year pricing, nor does the VHA policy manual. For both proposals that included price escalation in the option years, the OIG recommended the contracting officer not allow escalation but insert an economic price adjustment clause. Table 3 provides a summary of issues the OIG found during FY 2019 reviews.

Table 3. Issues Identified in Per-Procedure Proposals

Issue	Occurrences among seven proposals
Used an outdated Medicare rate schedule	5
Included practice expense when work is performed at VA*	3
Used hybrid pricing, which creates risk of double billing†	3
Included a markup over the Medicare rate	2
Included a rate increase in option years	2
Included length of stay and per diem	1
Used hybrid pricing that exceeded estimated FTE pricing	1
Did not obtain approval for per-procedure services at VA	1

Source: Analysis of OIG reports

Note: Some proposals have more than one occurrence, so occurrences exceed the number of proposals.

**Practice expense covers the cost of providing a facility for the procedure to be performed in.*

†For one of the procurements, the requirement was solicited on an hourly basis; the affiliate's proposal was for hybrid per-procedure and FTE pricing.

Evaluation of Potential Conflicts of Interest

Of the 27 proposals reviewed in fiscal year 2019, 23 contained potential conflicts of interest. Specifically, the OIG found and notified the contracting officer of potential conflicts of interest for 18 chiefs of staff, 14 chiefs of services, and four other personnel. The potential conflicts of interest were for VA personnel holding faculty appointments at the affiliate, which are often necessary in order to supervise the affiliate's residents (student doctors). The chief of staff and chief of services personnel typically approve requests for sole-source procurements from the

[21] VHA Directive 1663, *Health Care Resources Contracting – Buying*, August 10, 206.

affiliate and are also typically identified in the resulting contract as responsible for monitoring performance of the services procured.

VHA Handbook 1660.03 defines a conflict of interest:[22]

> A conflict of interest exists when an employee participates personally and substantially in a particular matter, e.g., a contract, that would have a direct and predictable effect on the employee's own financial interest, or the financial interest of the employee's spouse, minor child, general partner, any person or entity where an employee participates personally and substantially in a particular matter whom the employee serves as an officer, director trustee or employee, or any person with whom the employee is negotiating or has an arrangement for prospective employment.

Further, the handbook points out that federal law prohibits any employee from participating personally and substantially in a particular matter in which the employee has a conflict of interest.[23] When potential conflicts of interest are identified, a case-by-case written opinion from an Office of General Council ethics official is required to determine if the employee has a financial interest that would disqualify the employee from participating in the services.[24] As a result, in each of the instances of conflicts of interest identified, the OIG recommended the contracting officer request an opinion from counsel on whether or not these individuals would have a financial interest in any of the proposals the OIG reviewed. Table 4 summarizes the potential conflict of interest findings during FY 2019.

Table 4. Extent of Potential Conflict of Interest Findings

Employee affected	Occurrences among the 27 proposals
Chief of staff	18
Chief of the service department	14
Associate chief of staff	1
Employee of both VA and the affiliate	3

Source: Analysis of OIG reports

Note: Some proposals have more than one occurrence, so occurrences exceed the number of proposals.

[22] VHA Handbook 1660.03, Conflict of Interest for the Aspects of Contracting for Sharing of Health-Care Resources (HCR), November 4, 2015.

[23] VHA Handbook 1660.03.

[24] VHA Handbook 1660.03.

Other Important Matters

With no competition and no similar commercial contracts, the government relies on cost or price analyses to determine whether the price offered is fair and reasonable. In one of the reviews during FY 2019, an affiliate refused to provide support for provider salaries, citing competitive reasons. The OIG offered to make a site visit to review accounting system data or salary agreements on-site, but the affiliate refused. As a result of having insufficient information to verify the salaries, the OIG recommended that no award be made until the affiliate provided the data. After the issuance of the review, VA issued an interim contract under a different solicitation number.

Conclusion

VHA spent more than $155 million in FY 2019 on sole-source procurements from affiliates.[25] The OIG's preaward reviews demonstrate the importance of having reliable information for negotiations and determining fair and reasonable pricing. The OIG findings and recommendations contained in the preaward reviews helped VA contracting officers reduce the cost of healthcare services, saving taxpayers $26.8 million on proposals reviewed and awarded in FY 2019 alone.

[25] The amount reflects obligation amounts only and includes modifications, orders, and contracts.

Appendix A: Cost Savings from Reviews (by Issued Date)

Report count	Date review issued	OIG's estimated cost savings	VA's sustained cost savings	Percentage of estimated cost savings realized	Date contract awarded
1	10/5/2018	$28,901	$28,875	99.9%	6/12/2019
2	10/22/2018	$1,904,387	$371,721	19.5%	3/01/2019
3	10/26/2018	$0	($84)	0.0%	3/01/2019
4	11/9/2018	$1,565,354	$126,528	8.1%	9/30/2019
5	12/13/2018	$901,208	$159,901	17.7%	5/01/2019
6	12/28/2018	$2,530,547	$1,025,484	40.5%	10/1/2019
7	1/2/2019	$1,173,365	$558,268	47.6%	4/08/2019
8*	1/11/2019	$3,483,150	$1,180,329	33.9%	10/1/2019
9	1/22/2019	$2,436,149	$2,464,135	101.1%	2/1/2020
10	2/4/2019	$4,098,614	$1,709,963	41.7%	3/27/2019
11	2/6/2019	$1,923,007			Pending
12	4/23/2019	$1,823,546	$788,706	43.3%	9/01/2019
13	5/7/2019	$1,041,561	$381,219	36.7%	11/01/2019
14	5/16/2019	$2,805,530	$647,174	23.1%	10/01/2019
15†	5/23/2019	$2,784,599	$1,645,997	59.1%	10/01/2019
16‡	5/30/2019	$5,973,261	$9,050,009	151.5%	12/23/2019
17	6/5/2019	$3,265,340	$414,718	12.7%	1/31/2020
18	6/14/2019	$2,144,392			Canceled

**The OIG reviewed a solicitation and proposal for one base year and four one-year options. The contract was awarded with a five-year base period and a five-year option period. For the cost sustainment calculation, only the five-year base period was considered as this matched the period reviewed.*

†The proposal was for a 5-year contract; the award was for a 1-year contract. To facilitate cost savings comparison, the OIG multiplied the 1-year contract amount by five.

‡The proposal reviewed contained 17,435 annual hours of physician services and on-call; the resulting award was for 14,215 annual hours of physician services and on-call.

Report count	Date review issued	OIG’s estimated cost savings	VA's sustained cost savings	Percentage of estimated cost savings realized	Date contract awarded
19	6/14/2019	$6,303,443	$2,178,670	34.6%	2/20/2020
20	7/18/2019	$4,282,119	$2,274,523	53.1%	11/01/2019
21	8/6/2019	$3,098,333	$2,465,747	79.6%	8/29/2019
22[§]	8/16/2019				4/1/2020
23	8/20/2019	$7,350,079	($737,871)	(10.0%)	3/1/2020
24	8/20/2019	$192,646			Pending
25	8/26/2019	$798,637			Pending
26	8/28/2019	$150,176	$42,914	28.6%	10/01/2019
27	9/13/2019	$877,243			Pending
Total		**$62,945,587**	**$26,776,926**		

Source: OIG reports and VHA contract files (updated April 6, 2020)

Note: The Office of Contract Review’s estimated cost savings is the difference between offered prices and OIG recommended prices. VA’s sustained cost savings is the cost savings based on the final prices awarded by the contracting officer. Overall, VA was able to sustain 46.97 percent ($26.776,926 of $57,009,662) of the total estimated cost savings among preaward reviews that were subsequently awarded prior to the release of this report. The $47,213,434 was calculated as the OIG’s estimated cost saving for only those contracts that have been awarded. Cells for which data are not applicable are blank.

[§] *The OIG recommended no award for this review in which the affiliate refused to provide support documentation for provider salaries. The contract amount was 54.5 percent of the proposed amount.*

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