

Goal: Getting Payments Right

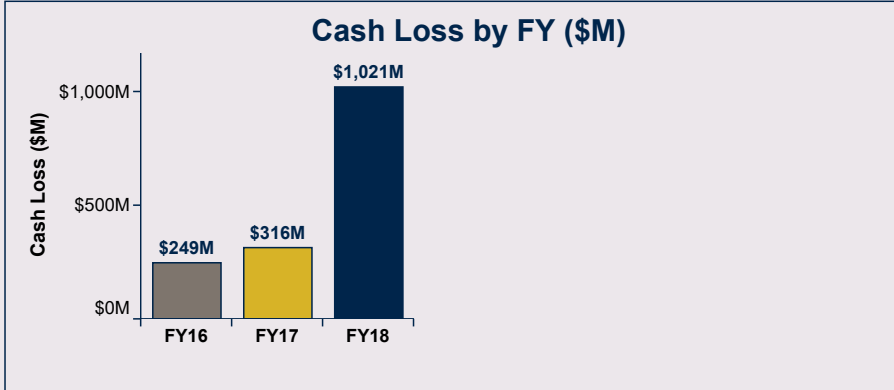
Change from Previous FY (\$M)

\$705M



Brief Program Description:

Provides timely and specialized care to eligible Veterans and allows VA to authorize Veteran care at a non-VA health care facility when the needed services are not available through the VA, or when the Veteran is unable to travel to a VA facility.



Key Milestones	Status	ECD
1 Finalize estimated cash loss estimation methodology	Completed	Nov-18
2 Identify estimated cash loss amount for FY 2018	Completed	Nov-18
3 Identify true root causes of cash loss	Completed	Nov-18
4 Develop mitigation strategies to get the payment right the first time	Completed	Dec-18
5 Evaluate the ROI of the mitigation strategy	On-Track	Apr-21
6 Determine which strategies have the best ROI to prevent cash loss	On-Track	Jul-21

Quarterly Progress Goals	Status	Notes	ECD
1 Q2 2019 Implement the remaining (one) Medicare Fee Schedule in FBCS.	On-Track	Six of the seven Medicare Fee Schedules have been implemented in FBCS. The final schedule (Durable Medical Equipment, Prosthetics/Orthotics & Supplies) is on schedule for April.	Apr-19
2 Q2 2019 Access the new set of business rules in FBCS to help identify improper payments in pre-payment state.	On-Track	Access the new set of business rules in the PIT to help identify improper payments in pre-payment state.	Jun-19

Recent Accomplishments	Date
1 OCC implemented a nationwide accuracy reviews based on the newly developed standardized review criteria. OCC can review them to identify high-level trends, resolve identified issues, and implement additional internal controls.	Mar-19
2 OCC staff completed the transitioning of additional business rules into FBCS. The focus was on identifying new business rules to help identify improper payments in a pre-payment state.	Mar-19
3 OCC implemented the six of the seven remaining Medicare Fee Schedules in FBCS.	Apr-19

FY18 Amt(\$)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
\$1,021M	Administrative or process errors made by: federal agency	Centers for Medicare and Medicaid Services (CMS) rates were not fully implemented and deployed to the claims processing system as required by 38 CFR Â§ 17.56 and 17.1005 in accordance with VA Community Care policy.	Implement the one remaining of seven Medicare Fee Schedules into VA's Fee Basis Claims System (FBCS).	Ensure CMS rates are available to calculate reimbursement rates. Implementing the remaining Medicare Fee Schedules will have an immediate impact on the reduction of improper payments associated with erroneous or missing CMS schedules.
		Various claims processing errors can occur due to manual processing or human intervention and therefore introduces risk. Categories include: application of scrubber edits, eligibility determinations, and keying errors.	Standardize the quality review process and establish a formal reporting process for supervisors to submit the results of quality reviews, actions taken to resolve the issues identified, and internal controls implemented to prevent future errors.	Office of Community Care (OCC) will be able to detect error trends at both the local and national level. If error trends are detected, internal controls will be implemented to prevent future errors.
		Complex pricing rules and methodologies coupled with the use of a manual pricing process results in risk and errors related to payment amounts as well as other pricing and payment methodology errors.	Implement business rules into the Program Integrity Tool (PIT) and FBCS to proactively identify improper payments in a pre-payment state.	Implementing business rules into the PIT and FBCS to proactively identify improper payments in a pre-payment state will allow OCC to stop improper payments before they happen.

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.