

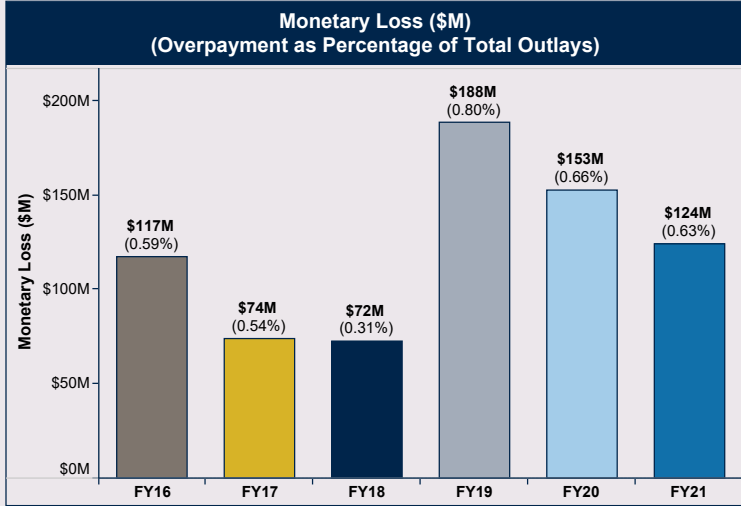
Payment Integrity Scorecard

Program or Activity Military Health Benefits	Reporting Period Q2 2022
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Change from Previous FY (\$M)	-\$29M	
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DOD
Military Health Benefits

Brief Program Description:
Payments disbursed by the Defense Health Agency to private sector contractors for delivery of health care services to TRICARE eligible beneficiaries. Payments disbursed for administrative costs supporting management of the TRICARE benefits program.



Key Milestones	Status	ECD
1	Develop mitigation strategies to get the payment right the first time	On-Track Sep-22
2	Evaluate the ROI of the mitigation strategy	On-Track Oct-24
3	Determine which strategies have the best ROI to prevent cash loss	On-Track Oct-24
4	Implement new mitigation strategies to prevent cash loss	On-Track Oct-24
5	Analyze results of implementing new strategies	On-Track Oct-24
6	Achieved compliance with PIIA	On-Track Oct-24
7	Identified any data needs for mitigation	On-Track Sep-22

Goals towards Reducing Monetary Loss	Status	ECD
1	Q2 2022 CAP 1 – Over \$100M First round of Quarterly Memos have been distributed to Contract Officers and their Reps and this process is now being utilized.	Completed Apr-22
2	Q2 2022 CAP2 Audit samples for the FY21 outlays of administrative costs to report in the next AFR.	On-Track Oct-22

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Recovery Activity Continue scheduled compliance reviews conducted by EIC. Payment errors are identified and refunds made to the Government through the submission of an adjusted TED record or by direct payment.	Incremental post payment compliance reviews conducted by an External Independent Contractor identify payment errors for the purpose of reporting IP estimates. Private sector care contractors are notified of payment errors for correction and to assess processes and procedures.
2	Recovery Activity Continued recoupments occurring in the course of routine healthcare claims processing and adjustments as identified. Non-underwritten healthcare claims greater than \$600, if not collected or offset, are referred to the DHA General Counsel.	Contract and policy requirements for private sector contractors to recover IPs. Recoupments/refunds occurring in the course of routine healthcare claims processing, healthcare claim adjustments or corrections as identified by civilian providers or TRICARE beneficiaries.
3	Recovery Activity Annual Cost of Healthcare Audit requires regional Contractors to recoup unallowable costs determined on a yearly basis. \$27M in recoupments on the underwritten claims in this audit were validated in this quarter.	Annual Cost of Healthcare Audit is a contractual requirement for TRICARE private sector regional Contractors to recoup unallowable costs.

Accomplishments in Reducing Monetary Loss	Date
1	The Annual Cost of Healthcare Audits for OP3 of the managed care contracts were completed. Both regional contracts submitted proof of recoupments totaling \$27M per their contractual requirements for this single mechanism of recoupment.
2	All samples pulled for Administrative Costs. Independent auditors are auditing and developing SOPs that will cover these types of payments.
3	Over \$100M Created an initial SOP to review payment errors at the completion of each 2nd rebuttal of the compliance reviews. Created scheduled releases of memos/templates that relay root cause findings and recommendations to Contracting Officer Reps

Amt(\$)	Root Cause of Monetary Loss	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$124M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	The DHA external compliance reviewer manually re-adjudicates TRICARE claims post-payment to identify payment errors, assigned reason codes/root cause and an amount (over/under). Failure to access stems from those errors.	Change Process – altering or updating a process or policy to prevent or correct error.	Mitigating strategy is to use mechanism in the contracts to recover erroneous payments.

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