Payment Integrity Scorecard

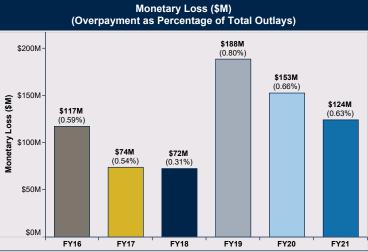| Program or Activity	Reporting Period
Military Health Benefits	Q3 2022

Change from Previous FY ($M) **-$29M** ⬇

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.

Monetary Loss ($M) (Overpayment as Percentage of Total Outlays)

	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	Q3 2022	Second round of Quarterly Memos have been distributed to Contract Officers and their Reps to address root causes of improper payments identified in claims processing for each unique private sector care contract.	On-Track	Jul-22
2	Q3 2022	The Annual Cost of Healthcare Audits (Unallowed Costs) for OP4-managed care contracts have commenced. This is a mechanism in the contracts to ensure that the contractors are recouping overpayments on underwritten claims to make the Government whole.	On-Track	Jan-23

	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 correct deficiencies in complying with TRICARE directives.
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 Audit	Annual Cost of Healthcare Audit requires regional Contractors to recoup unallowable costs determined on a yearly basis.	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	Relayed root cause findings and recommendations to Contracting Officers and their Reps for this quarter. Supporting documentation to be uploaded to the PISP.	Jun-22
2	The Annual Cost of Healthcare Audit for OP4 of the managed care contract – West region was started. The universe of underwritten claims was undisputed. The West contract is currently being audited by the external claims auditor for the first time.	Jun-22
3	The Annual Cost of Healthcare Audit for OP4 of the managed care contract- East region was started. The universe of underwritten claims was undisputed. The first audit phase of the East contract has been completed and is waiting for rebuttals.	Jun-22

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 through claims audits identifying process and system deficiencies.

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