

# Payment Integrity Scorecard

**Program or Activity**  
Military Health Benefits - Healthcare

**Reporting Period**  
Q4 2022

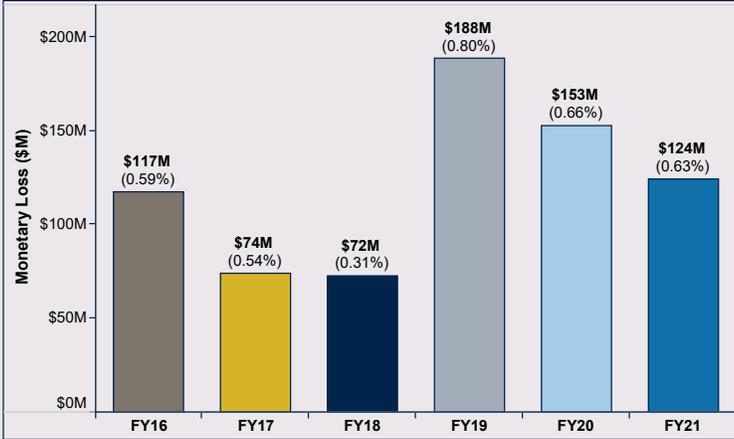
**Change from Previous FY (\$M)**

-\$29M

**DOD**  
Military Health Benefits - Healthcare

**Brief Program Description:**  
Payments disbursed by the Defense Health Agency to private sector contractors for administration and delivery of health care services to TRICARE eligible beneficiaries.

**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    |
|---|-----------|--------|
| <p>1 Q4 2022</p> <p>Quarterly reporting to Contract Officers and their Reps has been fully implemented. Root causes of improper payments are being addressed. Opportunities to reduce future improper payments are being identified and documented on an ongoing basis.</p>       | Completed | Jul-22 |
| <p>2 Q4 2022</p> <p>The Annual Cost of Healthcare Audits (Unallowed Costs) for the East and West, OP 4, is completed, and rebuttals will be reviewed. These contractual mechanisms ensure they are recouping overpayments on underwritten claims to make the Government whole</p> | 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.  | 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 Activity | 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   | Completed quarterly reporting to Program Offices about root causes of, and recommendations to address, improper payments identified in quarterly compliance reviews.   | Sep-22 |
| 2   | Quarterly compliance review error and rebuttal rates decreased from the previous quarter. This is an indication that proper documentation is being submitted in initial audit packages.  | Sep-22 |
| 3   | The Annual Cost of Healthcare Audits for OP4 of the managed care contracts are proceeding on schedule. The initial review of East and West regions was completed. Neither region disputed any underwritten claims within their respective universes. | Sep-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.