Payment Integrity Scorecard

Program or Activity: Risk Management Agency (RMA) - Federal Crop Insurance Corporation (FCIC)

**Key Milestones**

1. Develop mitigation strategies to get the payment right the first time
   - Status: Completed
   - ECD: Jun-20
2. Evaluate the ROI of the mitigation strategy
   - Status: Completed
   - ECD: Jun-20
3. Determine which strategies have the best ROI to prevent cash loss
   - Status: Completed
   - ECD: Jun-21
4. Implement new mitigation strategies to prevent cash loss
   - Status: Completed
   - ECD: May-21
5. Analyze results of implementing new strategies
   - Status: Completed
   - ECD: Jun-21
6. Achieved compliance with PIIA
   - Status: On-Track
   - ECD: Jun-23
7. Identified any data needs for mitigation
   - Status: Completed
   - ECD: Jun-22

### Goals towards Reducing Monetary Loss

1. **Q4 2022**
   - RMA Compliance continues to work with Product Management to finalize changes to current FCIC policy and procedure regarding record requirements for vertically integrated or direct-marketing producers.
   - Status: On-Track
   - ECD: Jun-23

2. **Q4 2022**
   - RMA has compiled a list of questions that will be used to assess the AIPs’ quality control measures implemented to their daily operation as a result of COVID-19. This assessment will take place during RMA’s AIP Performance Review.
   - Status: On-Track
   - ECD: Aug-23

### Achievements in Reducing Monetary Loss

1. RMA achieved a tolerable improper payment rate for FY2022.
   - Date: May-22
2. RMA participated in OIG’s exit conference for USDA’s Fiscal Year 2021 Compliance with Improper Payments Requirements audit.
   - Date: Jun-22
3. RMA Compliance presented the results of the FY2022 Improper Payment review to Senior Leadership.
   - Date: Aug-22

### Monetary Loss ($M)

<table>
<thead>
<tr>
<th>Monetary Loss ($M)</th>
<th>Recovery Method</th>
<th>Brief Description of Plans to Recover Overpayments</th>
<th>Brief Description of Actions Taken to Recover Overpayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16 $100M</td>
<td>Recovery Audit</td>
<td>AIPs are notified of any overpayments through RMA’s Compliance Activities and Results System (CARS) in accordance with the Standard Reinsurance Agreement requirements. They are then tracked, collected, and verified through RMA’s accounting system.</td>
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<td>FY17 $150M</td>
<td>Recovery Audit</td>
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<td>FY18 $250M</td>
<td>Recovery Audit</td>
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<td>FY19 $300M</td>
<td>Recovery Audit</td>
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<td>FY20 $266M</td>
<td>Recovery Audit</td>
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<td>FY21 $1M</td>
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### Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.

<table>
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<tr>
<th>Amt($)</th>
<th>Root Cause of Monetary Loss</th>
<th>Root Cause Description</th>
<th>Mitigation Strategy</th>
<th>Brief Description of Mitigation Strategy and Anticipated Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>$110M</td>
<td>Overpayments within agency</td>
<td>A majority of improper payments under this root cause were the result of policyholders submitted unacceptable records to support their production certification.</td>
<td>Change Process - altering or updating a process or policy to prevent or correct error.</td>
<td>In an effort to reduce record requirement errors RMA is updating current Federal Crop Insurance Corporation (FCIC) policies and procedures pertaining to vertically integrated or direct-marketing perennial producers.</td>
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<td>$43M</td>
<td>Overpayments within agency</td>
<td>COVID-19 required Approved Insurance Providers to modify how day to day operations were conducted. These unforeseen modifications presented an opportunity for less effective quality control processes resulting in payments being issued improperly.</td>
<td>Audit - process for assuring an organization’s objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.</td>
<td>As part of its AIP Performance Review, RMA will assess the quality control processes AIPs have established to address changes to their daily operations as a result of COVID-19.</td>
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