

Payment Integrity Scorecard

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

Reporting Period
Q2 2023

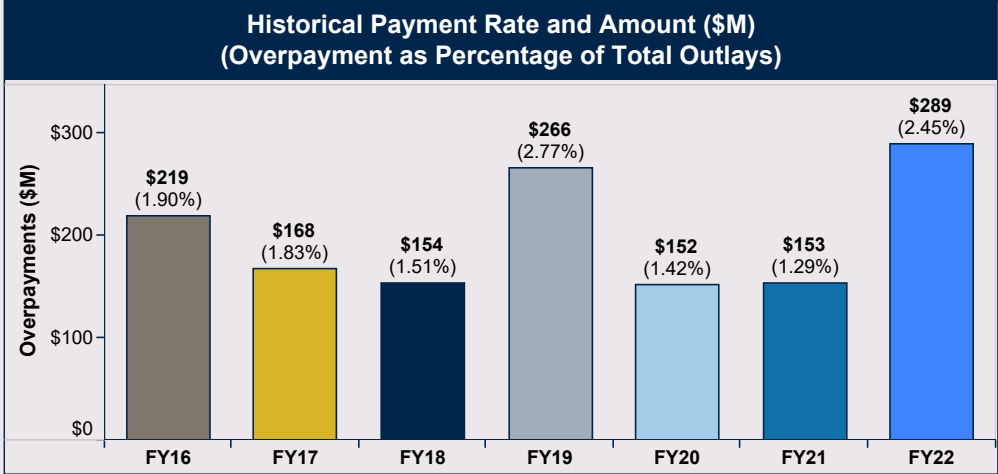
FY 2022 Overpayment Amount (\$M)* **\$289**

*Estimate based a sampling time frame starting 6/2019 and ending 7/2020

USDA **USDA**
Risk Management Agency (RMA) Federal Crop Insurance Corporation (FCIC)

Brief Program Description & summary of overpayment causes and barriers to prevention:

RMA administers the Federal Crop Insurance Program which provides crop insurance to farmers and ranchers. Approved Insurance Providers (AIPs) sell and service the policies through a partnership with RMA and share in the risk associated with losses. RMA's review of improper payments provides results data in which the cause of improper payments (i.e., administrative, certification, process errors, etc.) can be identified along with a means of reducing barriers that may prevent payments from being proper.



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

Presented program updates and changes to Approved Insurance Providers (AIPs) as part of the annual Claims Managers Meeting hosted by National Crop Insurance Services (NCIS). Informing industry stakeholders of upcoming changes through training and education helps reduce improper payments. Initiated the Approved Insurance Provider Performance Review (APR) for FY2023. The review assesses the AIP's compliance with the Standard Reinsurance Agreement, the Federal Crop Insurance Corporation's policies and procedures, and other related laws and regulations. This assessment identifies potential vulnerabilities reducing future improper payments.

Accomplishments in Reducing Overpayment		Date
1	Participated in the entrance conference of OIG's audit of Improper Payments (50024-0003-24).	Dec-22
2	Participated in the entrance conference of OIG's audit of FCIC/RMA's financial statements (05401-0015-11).	Feb-23
3	Issued findings and closure letters to Approved Insurance Providers which detail RMA's results of the FY2023 improper payment reviews.	Mar-23

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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 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.	On-Track	Jun-23	1 Recovery Audit	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.	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.
2 RMA has compiled a list of questions that will be used to assess the AIP's 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.	On-Track	Aug-23	2 Recovery Activity	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.	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.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$156M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	These types of overpayments result from situations where the data/information needed does exist and can be accessed however, a breakdown in the administrative or procedural processes caused the payment to become improper.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	RMA will review Approved Insurance Provider's (AIPs) current quality control processes as part of the AIP Performance Reviews. Reviewing these processes will help identify potential vulnerabilities reducing improper payments within the agency's control.
\$133M	Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.	Overpayments outside the agency's control consist of a variety of certification errors by the policyholders. These types of errors occur during the certification processes or when certifications cannot be supported.	Change Process – altering or updating a process or policy to prevent or correct error.	In an effort to reduce record requirement errors RMA is updating current Federal Crop Insurance Corporation (FCIC) policies and procedures for vertically integrated or direct-marketing perennial producers.