

Payment Integrity Scorecard

Program or Activity
VA Community Care

Reporting Period
Q2 2023

FY 2022 Overpayment Amount (\$M)*

\$771

*Estimate based a sampling time frame starting 10/2020 and ending 9/2021

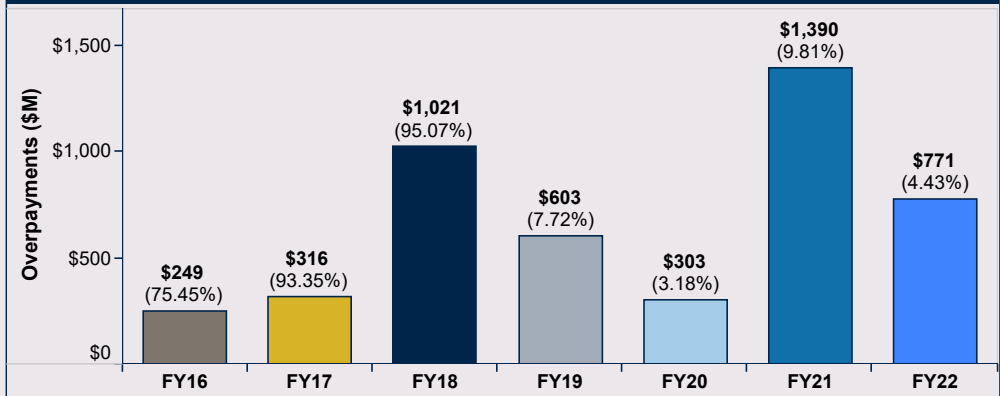


VA
VA Community Care

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

The VA Community Care program is used to provide timely and specialized care to eligible Veterans. This program allows VA to authorize Veteran care at non-VA health care facilities when the needed services are not available through the VA, or when the Veteran is unable to travel to a VA facility. The program reported \$770.89 million in overpayments for FY 2022, most of which resulted from paying for an ineligible provider or service, an excluded service due to noncompliance with regulatory or contractual exclusion/requirements, or an amount that did not align with the contracted rate. There are no known financial, contractor or provider status related barriers prohibiting improving the prevention of improper payments.

**Historical Payment Rate and Amount (\$M)
(Overpayment as Percentage of Total Outlays)**



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

Actions taken regarding automation included verifying that the payment processing system, Electronic Claims Adjudication Management System (eCAMS), is auto denying payments appropriately based on authorization logic. Additional efforts taken included working with appropriate offices to correct system logic so eCAMS auto-calculates the accurate allowable amount. Actions taken regarding change process include enforcing contract requirements for third party administrators to bill at the correct allowable rates. Additional efforts taken included updating internal policies and working with appropriate offices to ensure the correct rates are being paid in eCAMS and to ensure timely filing requirements are accurately enforced in eCAMS. Additionally, VA improved pre-payment checks in the authorization system to improve claim's processing accuracy and research why Veteran's other health insurance information was not present in the payment system to correct and prevent future deficiencies.

Accomplishments in Reducing Overpayment

Date

1	Researched incorrect billing vendor errors that occurred in eCAMS. Those errors were caused by authorizations entered in the referrals and authorizations system, Health Share Management System and should not have been allowed to process.	Oct-22
2	The program office informed the third party administrator of inconsistencies with pricing identified during program oversight review.	Jan-23
3	Made adjustments to contract regarding pass-through interpretation by drafting guidance which was sent to contracting to share with Third Party Administrator.	Feb-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 Ensure the Third Party Administrator makes system adjustments and/or updates based on findings from pricing discrepancies.	On-Track	Jun-23	1 Recovery Audit	VA Community Care utilizes the VA Financial Services Center to provide detection, prevention, and recovery services.	The VA Financial Services Center reviews current and past payments in database portals to identify and recover improper payments such as duplicate payments, payments made in the incorrect amount, unapplied credits, etc.
2 Program Office to communicate clarified contract requirements to Third Party Administrator.	On-Track	Jun-23			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$771M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	The authorization system lacked sufficient pre-payment checks to ensure the accurate processing of claims. This caused payment for a service that was not eligible because regulatory or contractual exclusions/requirements were not met.	Change Process – altering or updating a process or policy to prevent or correct error.	VA will improve pre-payment checks in the authorization system to improve claim's processing accuracy.
		The system was not auto denying payments appropriately based on authorization logic. This caused VA to pay the third-party administrator for an ineligible provider or for services that should have been billed by the community provider.	Automation - automatically controlled operation, process, or system	VA will verify that eCAMS is auto denying payments appropriately based on authorization logic.
		VA did not enforce contract requirements for third-party administrators to bill at the correct allowable rates. As a result, the vendor billed an amount other than the contracted rate, and VA paid the amount billed.	Change Process – altering or updating a process or policy to prevent or correct error.	VA will enforce contract requirements for third party administrators to bill at the correct allowable rates.

The VA Community Care program continues to prioritize and implement effective corrective actions and mitigation strategies that reduce improper and unknown payments as evidenced by its fourth consecutive year of reductions and is expected to achieve compliance with the Payment Integrity Information Act of 2019 for FY 2022. Specifically, from FY 2021 to FY 2022, the VA Community Care program decreased its improper and unknown error rate from 16.06% to 7.84% (8.22% reduction) and improper and unknown payments from \$2,274.69 million to \$1,363.13 million (\$911.55 million reduction). VA Community Care also reduced overpayments in this program from \$1,389.54 million in FY 2021 to \$770.89 million in FY 2022 (\$618.65 million or 44.52% reduction) by implementing effective corrective actions and mitigation strategies related to the failure to access data/information. VA's process for development of corrective actions and mitigation strategies ensures that the severity of the error is considered to ensure the action is adequate. VA's corrective actions and mitigation strategies have been evaluated by the Office of Inspector General during their annual audit and determined reasonable with no recommendations for improvement.