

Payment Integrity Scorecard

Program or Activity

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

Reporting Period

Q3 2023

FY 2022 Overpayment Amount (\$M)*

\$289

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

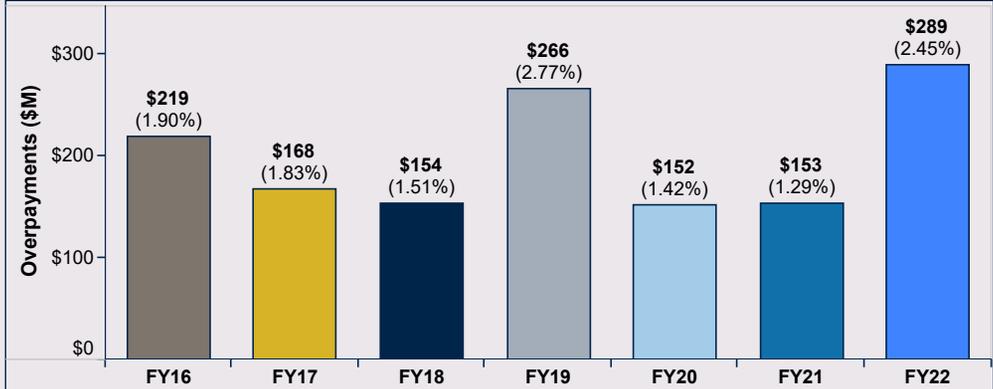


USDA
Risk Management Agency (RMA) Federal Crop Insurance Corporation (FCIC)

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.

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

Presented program updates and changes to Approved Insurance Providers (AIPs) as part of the annual Train the Trainer Meeting hosted by National Crop Insurance Services (NCIS). Informing industry stakeholders of upcoming changes through training and education helps reduce improper payments. Presented IPERIA Results to RMA as part of its Quarterly Update meetings. The presentation focused on RMA's FY2023 Corrective Action Plan to help reduce improper payments.

Accomplishments in Reducing Overpayment

		Date
1	Participated in the OIG's exit conference regarding USDA's Compliance with Improper Payment Requirements for Fiscal Year 2022.	May-23
2	RMA calculated, and reported, its FY2023 improper payment error rate and corrective action plans to OCFO.	May-23
3	RMA was found to be compliant in OIG's audit of Improper payments for FY2022.	May-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 completed its annual AIP Performance Review (APR). The review consisted of an assessment of the AIP's quality control processes for the purpose of identifying potential vulnerabilities that could lead to improper payments.	Completed	May-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 implemented a consistent program wide definition for record vertically integrated or direct-marketing producers and addressed 3rd party record requirements.	Completed	Jun-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.
\$0M	Overpayments outside the agency control that occurred because of a Failure to Access 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.