

Payment Integrity Scorecard

Program or Activity
VA Community Care

Reporting Period
Q3 2023

FY 2022 Overpayment Amount (\$M)*

\$771

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

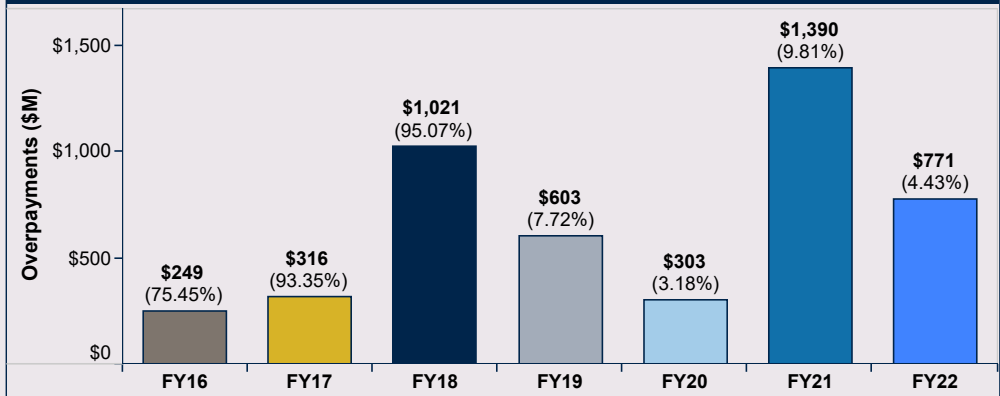


VA
VA Community Care

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

Community Care Network actions taken in Q3 and planned for Q4 include VA continuing its partnership with community care network leaders (See Note 1) to ensure compliance with contractual billing and reimbursement rates. Non-contract related payment efforts taken during Q3 regarding the change process included updating internal policies and working with appropriate offices to ensure the correct rates are being paid in the Electronic Claims Adjudication Management System (eCAMS) and to ensure timely filing requirements are accurately enforced to reduce future overpayments.

Accomplishments in Reducing Overpayment

		Date
1	Collaborated with the third party administrator (TPA) on specific instances where charges were other than the contract rate and ensured the TPA made system adjustments and/or updates based on the pricing discrepancies.	Feb-23
2	Clarified with the third party administrator's billing requirements on when costs are considered a pass-through of the amount paid to the provider, which when implemented will reduce overpayments.	Apr-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 Collaborate with contracting to determine if a decision memo to the third party administrator is necessary regarding inconsistent contract verbiage relating to the amount to be invoiced to the VA for inpatient acute care facility claims.	On-Track	Aug-23	1 Recovery Audit	Conduct reviews of payments made to identify and recover improper payments such as duplicate payments, payments made in the incorrect amount, unapplied credits, etc. These audits include review of billing practices to ensure appropriate rates were applied for invoices paid.	During Q3, conducted reviews to identify and recover improper payments such as duplicate payments, payments made in the incorrect amount, unapplied credits, etc. These audits include review of billing practices to ensure appropriate rates were applied for invoices paid.
2 Update the Electronic Claims Adjudication Management System pricing logic to include critical access hospital rates to reduce overpayments.	On-Track	Sep-23	2 Recovery Activity	Continue to recover overpayments identified during special projects and the testing of payments required by the Payment Integrity Information Act. These activities include working through the contracting team to recoup improper payments from the third-party administrator.	During Q3, recover overpayments identified during special projects and the testing of payments required by the Payment Integrity Information Act. These activities include working through the contracting team to recoup improper payments from the third-party administrator.

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 payment system lacked sufficient pre-payment checks to ensure the accurate processing of claims. This caused payment for a service that was not eligible because the claim had an authorization mismatch.	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 the Electronic Claims Adjudication Management System (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 and was paid 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. Note 1: VA contracts with third party administrators to provide care to Veterans and to process and pay claims received from non-VA healthcare providers.