

Payment Integrity Scorecard

Program or Activity
Military Health Benefits - Healthcare

Reporting Period
Q4 2023

FY 2022 Overpayment Amount (\$M)*

\$106

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

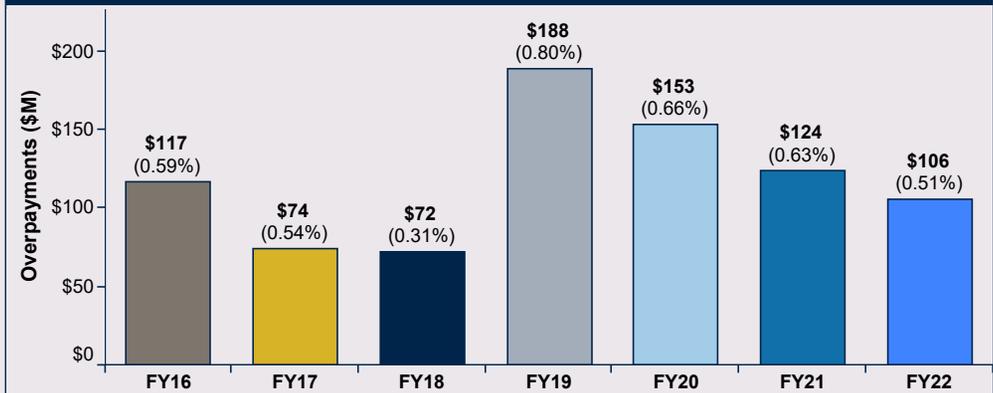


DOD
Military Health Benefits - Healthcare

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

Defense Health Agency (DHA) purchased care contractors are obligated to maintain claims processing accuracy. DHA uses external contractor to review TRICARE claims to ensure standards are met. The root causes of IPs include missing doc's, miscalculated reim., and coordination of benefits w/other health insurers. DHA reported an est \$106M monetary loss for FY22. While that amount exceeds the statutory threshold, the program reported \$20B in proper payments. Each purchased care contractor was within their Claims Accuracy Performance Rate. The main barrier is the program structure of the compilation of TRICARE contracts with different characteristics. During FY23, the contracts were reorganized into separate programs to address this challenge.

**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

The Defense Health Agency (DHA) requires claims processors to provide the updated definitions of discount fields, audit trail of discount changes, and the timeframes associated with contractual negotiated discounts. By using quarterly compliance reviews, DHA continues to monitor contractor progress to implement fee schedule and reimbursement changes in a timelier way. As a direct result of the finalized performance review, a contractual disincentive will be assessed if a contractor fails to meet performance accuracy standards. If deficiencies persist for more than one quarter, a corrective action plan will be established, implemented, and closely monitored. Quarterly reporting addressed root causes of IP's identified in claims processing for each private sector care contract. High frequency errors were addressed, provide information about mitigation efforts, and to reduce the likelihood of future improper payments, specifically unintentional monetary loss. The initial phase of the annual Un-allowed Cost audits, for Option Period number 5, of the managed care contracts is completed. This is a contractual mechanism built within the TRICARE managed contracts to ensure that the contractors are identifying, tracking, and recouping overpayments on underwritten claims to make the Government whole through the adjudication process. The MHB program has been reorganized to better focus efforts on problem areas based on claims characteristics. Risk assessment efforts are underway.

Accomplishments in Reducing Overpayment

Date

1	A focus study started to test the risk-based sampling of claims from the West contractor. The 1st risk-based sample of claims for the qtr compliance reviews has been requested from the TRICARE Overseas contractor. Additional samples are being developed for other regions.	Sep-23
2	Detailed error reports have been created using current and historical data from compliance reviews. High frequency errors are being tracked and examined to identify root causes. Findings from these reports are being included in the quarterly reporting to the Program Offices.	Sep-23
3	The initial phase of the Annual audits for the East and West regions have been completed. These annual TRICARE audits will ensure that overpayments are being recaptured appropriately.	Sep-23

Payment Integrity Scorecard

Program or Activity Military Health Benefits - Healthcare

Reporting Period Q4 2023

Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Complete initial reviews of healthcare claims sampled using risk-based methodology. Analyze and report results to Program Offices, so that newly identified potential root causes can be addressed with corrective action. DHA will require that claims processors implement changes monitor implementation using quarterly compliance reviews. As a result of finalized performance review findings, a contractual disincentive will be assessed if contractor fails to meet performance accuracy standards.	On-Track	Dec-23	1 Recovery Audit	TRICARE West, upon completion of the annual unallowable cost compliance review process, DHA will determine the amount of overpayments. The disallowed amount will either be deducted from current payments, or DHA will provide other instructions for the overpayment recovery.	The error details are provided to the Contractors and Program Offices for each claim identified as an overpayments. The contractors confirm the enforcement of the contract policies to recover the identified overpayments. Recoupments will be validated and confirmed.
			2 Recovery Audit	TRICARE East, upon completion of the annual unallowable cost compliance review process, DHA will determine the amount of overpayments. The disallowed amount will either be deducted from current payments, or DHA will provide other instructions for the overpayment recovery.	Upon completion of the Option Period 5 Annual Un-allowed Cost audits, the Contracting Officer will transmit a recoupment letter to the West contractor based on the findings of that review. Recoupments will be validated to confirm the full amount determined to be overpaid.
2 Continued collaborating with the DHA Program Offices to ensure purchased care contractor claims processors receive periodic training and practice timely implementation of CMS/DHA fee schedules and policy guidance. Review bi-weekly claims issues reports to ensure progress is being made to correct root causes of IPs. determined. Specifically, the high frequency errors for Skilled Nursing Facility Per-Diem Rate and, Reimbursement Method Miscalculated or Payments made by Other Health Insurance.	On-Track	Dec-23	3 Recovery Activity	Defense Health Agency's quarterly compliance results are being reported to the Contractors and the Program Offices. Monetary loss payments disbursed are required to be recouped in order to make the government whole and to demonstrate proper stewardship of resources.	Defense Health Agency enforces contract policies to recover overpayments. IPs disbursed for non-underwritten care are required to be recouped from providers. If refunds are not received, the contractors retain a receivable to offset future claims from the provider.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$95M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Authorizations and referrals document the medical status, diagnosis codes, and approved types of care. These documents support medical status at the time the claim is processed. Ex. include duplicate payments, payment was made for non-covered services, incorrect coding.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	Quarterly compliance reviews and annual audits are conducted to identify and report on improper payments specifically overpayments. Recoupments and corrections such as future contract offsets are initiated based on the findings from these in-depth quarterly payment reviews.
		Incorrect documentation in an audit or rebuttal packages from other benefit programs could result in an overpayment. If the explanation of benefits form indicates a lower amount paid than what was actually covered would impact the calculation of the TRICARE allowed amount.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Quarterly informative and educational reporting of overpayment errors is disseminated. This information is shared with management to reduce future overpayments. This allows the stakeholders to implement the guidance to ensure progress in reducing overpayments.
\$11M	Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.	Some beneficiaries receive benefits from other insurers or Gov. programs. The claim or supporting documentation must indicate that other coverage exists. To determine the proper allowed amount, a summary of benefits paid by the other source must be provided with the claim.	Predictive Analysis - A data analytics technique used to prevent Improper Payments. It uses predictive capabilities to identify unobserved attributes that lead to suspicion of Improper Payments based on known Improper Payments.	A newly created Risk-based sampling methodology has been implemented to improve DHA's ability to identify the maximum amount of payment error by utilizing the unique claim and historical data characteristics by considering their level of inherent risk.

In an ongoing effort to improve Payment Integrity reporting for the Military Health Benefits (MHB) payment portfolio, the MHB – Healthcare program's Improper Payments (IP) and Unknown Payments (UP) Risk Assessment resulted in a determination to reorganize and restructure the remaining payments not covered under administrative costs into groups with similar contractual requirements or performance incentives. The MHB - Healthcare program reorganized into five separate programs in FY 2023 based on the different TRICARE contracts that process the beneficiary medical claims. The five programs were designated as Phase 1 in order to perform comprehensive risk assessments to determine their accurate susceptibility to IP and UP based on their inherent and unique characteristics. The Department is currently performing the new MHB Phase 1 program risk assessments to determine the susceptibility to IP and UP. The DoD OIG Payment Integrity Compliance Audit Team is in agreement with the MHB portfolio reorganization efforts. This allows the Department to focus our resources on identifying the true underlying IP specific to MHB contractual requirements opposed to the previous universal methodology for healthcare. The Department is confident in this way forward to streamline MHB PIIA compliance Military Health Benefits (MHB) – Administrative Phase 1 program delivered a comprehensive fiscal year (FY) 2023 risk assessment that resulted in low susceptibility of significant IP and UP.