

Payment Integrity Scorecard

Program or Activity

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

Reporting Period

Q4 2023

FY 2022 Overpayment Amount (\$M)*

\$289

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

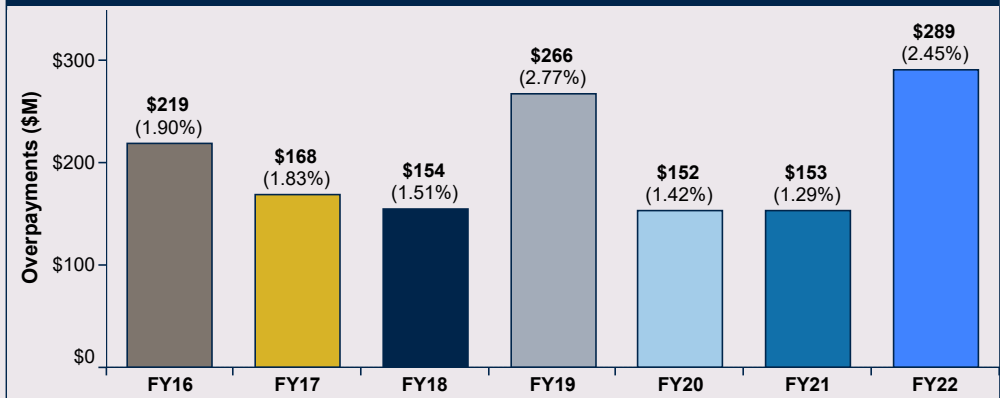


USDA
Risk Management Agency (RMA) Federal Crop Insurance Corporation (FCIC)

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

RMA administers the Federal Crop Insurance Program, a multi-billion-dollar 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 overpayments are the result of certification errors and/or administrative/process errors. Because of the immensity of the program, human error is inevitable, therefore creating a anticipated barrier. Furthermore, the addition of new programs/policies, changes to current programs/policies, program participation, and factors outside the agency's control (i.e., natural disasters) all give rise to barriers that impact RMA's 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

Submitted letters to each Approved Insurance Provider (AIPs) outlining the results of RMA's FY2023 improper payment review. RMA plans to publish an Informational Memorandum addressing the cause of improper payments in the Pasture, Rangeland, Forage policy.

Accomplishments in Reducing Overpayment

Date

1	RMA reported a tolerable improper payment rate for the ninth consecutive year.	May-23
2	Attended Improper Payment Town Hall #2: How to Use D2D Reporting to Validate Data	Sep-23
3	Attended Improper Payment Town Hall #3: How to Review your Paymentaccuracy.gov Dashboard	Sep-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 Compliance Activities 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 Compliance Activities 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 Compliance Activities 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 Compliance Activities 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 (i.e., keying errors, calculation errors) 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 are related to certification errors by the policyholder. These types of errors include mis-certifying information used to establish their policy (i.e., acres) and/or not being able to support certifications with acceptable records.	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.