

# Payment Integrity Scorecard

**Program or Activity**  
VA Community Care

**Reporting Period**  
Q4 2023

**FY 2022 Overpayment Amount (\$M)\***

**\$771**

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

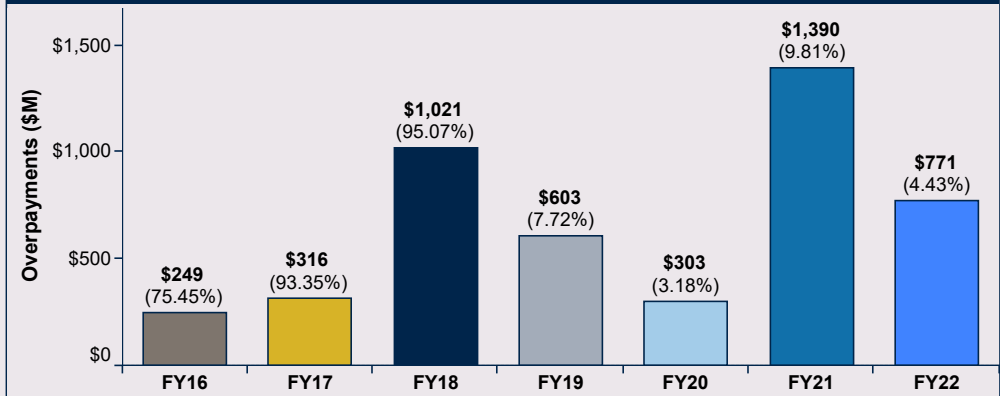


**VA**  
VA Community Care

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

The VA Community Care program was used to provide timely and specialized care to 2.8 million Veterans in FY 2023. 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 Q4 and planned for Q1 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 Q4 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 | Ensured the third party administrator made system adjustments to add a reporting control that validates inpatient and outpatient mappings match the national provider identifier loaded in the payment file ensuring providers are properly reimbursed.                           | Jul-23 |
| 2 | Collaborated with contracting to determine if a decision memo to the third party administrator was necessary regarding inconsistent contract verbiage related to the amount to be invoiced to the VA for inpatient acute care facility claims.                                    | Aug-23 |
| 3 | Updated payment integrity testing methodology to apply inpatient critical access hospital rates for care approved under 38 U.S. Code - Reimbursement for emergency treatment (§1725) and Reimbursement of certain medical expenses (§1728) - to prevent future improper payments. | Sep-23 |

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|   |                                    |
|---|------------------------------------|
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|---|------------------------------------|

| Goals towards Reducing Overpayments  | Status   | ECD    | No | Recovery Method          | Brief Description of Plans to Recover Overpayments   | Brief Description of Actions Taken to Recover Overpayments   |
|--|----------|--------|----|--------------------------|--|--|
| 1<br>Program will review FY 2023 payment integrity testing results to evaluate causes of error related to monetary loss and develop effective corrective actions.                | On-Track | Oct-23 | 1  | <b>Recovery Audit</b>    | Continue to conduct reviews consisting of duplicate payments, payments made in the incorrect amount, and review of billing practices to ensure appropriate rates were applied for invoices paid.   | In Q4, conducted reviews consisting of duplicate payments, payments made in the incorrect amount, and review of billing practices to ensure appropriate rates were applied. In FY 2023, VA identified \$131.71 million in improper payments and recovered \$41.94 million. |
| 2<br>Collaborate with the third party administrator on addressing the root cause of claims processed when services that have been provided fall outside the approved date range. | On-Track | Dec-23 | 2  | <b>Recovery Activity</b> | Continue to identify overpayments through special projects and the testing of payments required by the Payment Integrity Information Act. These activities will include working through the contracting team to recoup improper payments from the third party administrator. | During Q4, overpayments that were identified in special projects and the testing of payments required by the Payment Integrity Information Act totaled \$0.43 million.   |

| Amt(\$)       | Root Cause of Overpayment  | Root Cause Description  | Mitigation Strategy  | Brief Description of Mitigation Strategy and Anticipated Impact  |
|---------------|--|---|--|--|
| <b>\$771M</b> | 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 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.