

Payment Integrity Scorecard

Program or Activity

Purchased Long Term Services and Supports

Reporting Period

Q1 2024

FY 2023 Overpayment Amount (\$M)*

\$318

*Estimate based a sampling time frame starting 10/2021 and ending 9/2022



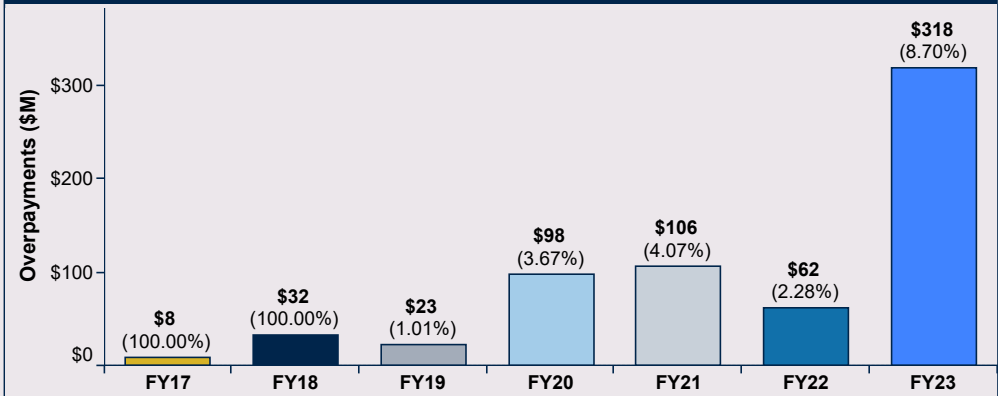
Veterans Administration

Purchased Long Term Services and Supports

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

Purchased Long Term Services and Supports strives to empower Veterans to rise above the challenges of aging, disability, or serious illness. Geriatrics and Extended Care is for Veterans of all ages, including their families and caregivers. The program reported \$318.46 million in projected monetary loss for FY 2023, most of which resulted from paying an amount that did not align with the contract rate, paying for an excluded service due to noncompliance with regulatory or contractual requirements, or paying for billed services that exceeded the authorized care. There are no known financial, contractor or provider status related barriers prohibiting improving 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

Actions taken in Q1 and planned for Q2 regarding change process include working to ensure invoices are being validated per the contract pricing prior to payment. In addition, VA is working to enforce contract requirements for third party administrators to bill at the correct allowable rates (Note 1). Actions taken and planned regarding automation include working to determine if a system update in the Electronic Claims Adjudication Management System is needed to ensure claims are paid appropriately. Specifically, in August 2023, VA began reviewing a list of Community Care Network improper payments reported in FY 2023 to research pricing discrepancies and other errors. In November 2023, the program updated the VA Community Nursing Home Fee Schedule and researched and documented the current rate structure for the different purchasing methods (including local contracts, Community Care Network contracts, or Veterans Care Agreements). Actions planned in Q2 to address overpayments for Community Care Network claims include researching and categorizing findings related to the various pricing discrepancies and reviewing timely filing contract requirements with the third party administrators and providing education if necessary.

Accomplishments in Reducing Overpayment

		Date
1	Identified a list of Community Care Network related improper payments reported in FY 2023 to begin researching pricing discrepancies and other errors. VA will develop effective corrective actions based on the outcome of the research.	Aug-23
2	Researched and documented the current Community Nursing Home rate structure for the different purchasing methods (including local contracts, Community Care Network contracts, or Veterans Care Agreements) to inform VA on the feasibility of moving to standardized rates.	Nov-23
3	Updated the VA Community Nursing Home Fee Schedule with increased rates for Veterans Care Agreements to be more competitive with local contract rates. The updated fee schedule retroactively excluded the Value Based Payment calculation to address associated overpayments.	Nov-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	Determine third party administrator's payment system logic to ensure Community Care Network payments are made at the Medicare rate and/or are capped at billed charges, where applicable.	On-Track	Jan-24	1 Recovery Activity	VA recovers overpayments such as duplicate payments, payments made in the incorrect amount, unapplied credits, etc. when identified.	In FY 2024, Q1, VA identified \$1.69 million in overpayments and worked to process bills of collection for these identified overpayments.
				2 Recovery Activity	VA will review FY 2023 statistical samples tested under the Payment Integrity Information Act (PIIA) and issue bills of collection to recover identified overpayments.	In FY 2023, VA identified \$0.09 million in overpayments for this program and recovered \$0 million. In FY 2024, Q1, VA worked to process bills of collection for these identified overpayments.
2	Review timely filing contract requirements for Community Care Network claims with the third party administrators and provide education if necessary.	On-Track	Jan-24	3 Recovery Activity	VA conducts post-payment, deep-dive reviews to identify and recover identified overpayments stemming from systemic program deficiencies.	In FY 2023, VA identified \$3.76 million in overpayments for this program and recovered \$0.77 million. In FY 2024, Q1, VA worked to process bills of collection for these identified overpayments.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$318M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	VA did not enforce requirements for third party administrators or providers to submit claims in accordance with regulatory or contractual requirements. As a result, VA paid for excluded services that did not meet contractual requirements for timely claim submission.	Change Process – altering or updating a process or policy to prevent or correct error.	VA will enforce contract requirements for third party administrators to submit claims in accordance with timely filing requirements. VA will also ensure invoices are being validated per the contract timely filing requirements prior to payment.
		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 service was not included in the standard episode of care authorization.	Automation - automatically controlled operation, process, or system.	VA will determine if a system update in the Electronic Claims Adjudication Management System needs to be implemented to ensure payments for billed services do not exceed the authorized amount.
		VA did not enforce contract requirements for third party administrators to bill at the correct allowable rates. As a result, the third party administrators are not paying the lesser of billed charges or Medicare rate, when the VA should be reimbursing at the lower rate.	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. VA will also ensure invoices are being validated per the contract pricing prior to payment.

The Purchased Long Term Services and Supports program continues to prioritize and implement effective corrective actions and mitigation strategies that reduce improper and unknown payments as evidenced by its third consecutive year of reductions. Specifically, from FY 2022 to FY 2023, the program decreased its improper and unknown error rate from 47.45% to 38.72% (8.73% reduction). Due to needs and increased costs, the program did see an increase in outlays of 35.18%; therefore, although the program did successfully reduce its rate of improper and unknown payments, its overall reported improper and unknown payments increased. Given the time it takes to implement corrective actions and mitigation strategies, the program expects the continued positive impact of these actions on its FY 2024 improper and unknown payment rate. 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.