

Payment Integrity Scorecard

Program or Activity
VA Community Care

Reporting Period
Q1 2024

FY 2023 Overpayment Amount (\$M)*

\$954

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

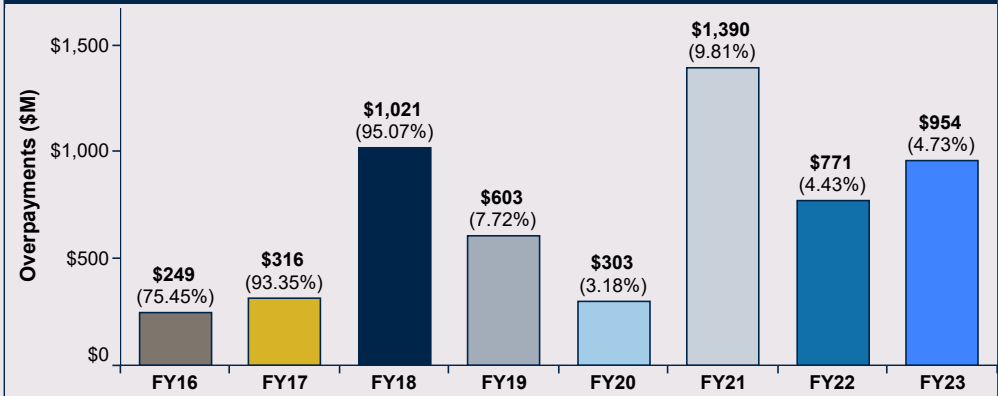


Veterans Administration
VA Community Care

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 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 \$954.17 million in projected monetary loss in FY 2023, most of which resulted from paying amounts that did not align with the contracted rate, services not eligible for payment because of regulatory exclusions or experimental status, or an ineligible provider or service. 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

Actions taken in Q1 and planned for Q2 regarding change process include VA will clarify payment methodology with third party administrators to bill at the correct allowable rates (See Note 1). In addition, VA will instruct third party administrators to follow standard billing practices as defined in the contract. Actions taken and planned regarding automation include VA will update the claims processing system, Electronic Claims Adjudication Management System, to identify and auto-deny Community Care Network (CCN) claims that should be processed by a third party administrator. VA contracting will instruct third party administrators to deny out of network facility provider claims for emergent episodes of care. Specifically, in July 2023, VA communicated to third party administrator to implement a control that validates inpatient and outpatient mappings match the national provider identifier loaded in the payment file ensuring providers are properly reimbursed. In August 2023, VA 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. Actions planned in Q2 to address overpayments include VA will review timely filing requirements as noted in the CCN contract for corrected invoices with the third party administrators and provide education if necessary.

Accomplishments in Reducing Overpayment

		Date
1	Communicated to the third party administrator to implement a 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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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 VA will review timely filing requirements as noted in the CCN contract for corrected invoices with the third party administrators and provide education if necessary.	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 \$3.56 million in overpayments and worked to process bills of collection for these identified overpayments.
			2 Recovery Audit	VA uses a recovery audit contract to audit claims for pre-authorized care and test compliance with referrals; whether claims are reimbursed using the appropriate methodology; and that the medical records support the diagnostic related group billed for the services.	In FY 2023, VA identified \$85.42 million in overpayments for this program and recovered \$6.93 million. In FY 2024, Q1, VA continued this work with the contractor to process bills of collection for identified overpayments.
2 VA Quality Monitoring and Network Support will collaborate on what final steps are required to notify third party administrators of proper usage of pass-through provision as noted in CCN contract.	On-Track	Feb-24	3 Recovery Activity	VA will review FY 2023 statistical samples tested under Payment Integrity Information Act (PIIA) and conduct post-payment, deep-dive reviews to identify overpayments stemming from systemic program deficiencies.	In FY 2023, VA identified \$6.33 million in overpayments for this program and recovered \$0.62 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
\$954M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	The system was not auto denying payments appropriately, which caused VA to pay the community provider for services that should have been billed by the third party administrator. The third party administrator also failed to deny certain claims from out of network providers.	Automation - automatically controlled operation, process, or system.	VA will update the claims processing system to identify and auto-deny CCN claims that should be processed by a third party administrator. VA contracting will instruct third party administrators to deny out of network facility provider claims for emergent episodes of care.
		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 billing for claims that exceed the lesser of the amount payable per the pass-through provision in the contract.	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 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 instruct third party administrators to follow standard billing practices as defined in the contract. VA will communicate to claims processing agents to not process claims when timely filing requirements are not met.

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 fifth consecutive year of reductions and achieved compliance with the Payment Integrity Information Act of 2019 for FY 2023. Specifically, from FY 2022 to FY 2023, the VA Community Care program decreased its improper and unknown error rate from 7.84% to 4.92% (2.92% reduction) and improper and unknown payments from \$1,363.13 million to \$992.38 million (\$370.75 million reduction). VA's process for development of corrective actions and mitigation strategies ensures the severity of the error is considered to ensure the action is adequate. 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.