

Payment Integrity Scorecard

Program or Activity
Purchased Long Term Services and Supports

Reporting Period
Q2 2024

FY 2023 Overpayment Amount (\$M)* **\$318**

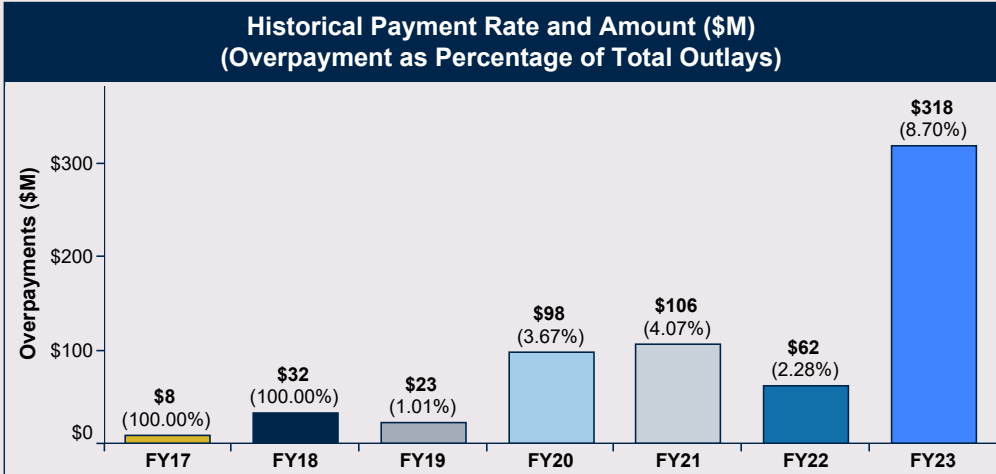
*Estimate based a sampling time frame starting 10/2021 and ending 9/2022



Veterans Affairs
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.



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

Actions taken in Q2 and planned for Q3 regarding change process include working to ensure invoices are validated per the contract pricing prior to payment and 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. In January 2024, VA assessed where errors were occurring for local contract claims not paid according to the contract rate that were processed in Veterans Health Information Systems and Technology Architecture. VA also continued to research pricing discrepancies and other errors for Community Care Network claims processed in the Community Care Reimbursement System. Actions planned in Q3 include documenting a process flow for each claims processing system to identify potential process improvements. VA is requesting an update to the consult toolbox to ensure claims are associated with a valid referral and requesting an update in the Electronic Claims Adjudication Management System to ensure claims are associated with an active Veterans Care Agreement. VA will also continue working with the third-party administrators to ensure payments are covered by a valid authorization or consult prior to being reimbursed.

Accomplishments in Reducing Overpayment		Date
1	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
2	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
3	Chartered a workgroup to understand and document how the VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018 (MISSION Act) applies to the Community Nursing Home program's different purchasing methods and rates.	Dec-23

Payment Integrity Scorecard

Program or Activity Purchased Long Term Services and Supports	Reporting Period Q2 2024
---	------------------------------------

Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments	
1 Continue working with the third-party administrators to ensure payments are covered by a valid authorization or consult prior to being reimbursed.	On-Track	Apr-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, VA has identified \$7.54 million in overpayments for this program and recovered \$2.77 million to date. In FY 2024, Q2, VA continued working to process bills of collection for these identified overpayments.
			2	Recovery Activity	VA reviewed FY 2023 statistical samples tested under the Payment Integrity Information Act (PIIA) and will issue bills of collection to recover identified overpayments as appropriate.	In FY 2023, VA identified \$0.19 million in overpayments for this program and recovered \$0.01 million to date. In FY 2024, Q2, VA continued working to process bills of collection for these identified overpayments.
2 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	Apr-24	3	Recovery Activity	VA conducts post-payment deep-dive reviews to identify and recover overpayments stemming from systemic program deficiencies.	In FY 2023 and FY 2024, VA identified \$5.51 million in overpayments for this program and recovered \$0.77 million to date. In FY 2024, Q2, VA continued working 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.