

Payment Integrity Scorecard

Program or Activity
VA Community Care

Reporting Period
Q2 2024

FY 2023 Overpayment Amount (\$M)*

\$954

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

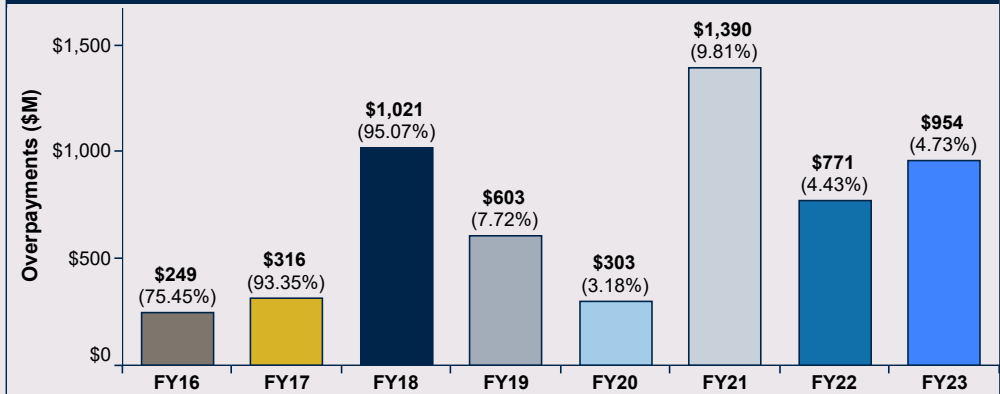


Veterans Affairs
VA Community Care

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 \$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 Q2 and planned for Q3 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 February 2024, VA communicated to the third-party administrators through a bilateral contract modification, to clarify language on how specific contract line items should be reimbursed related to pass-through provisions (i.e., paying the lesser of the Medicare rate or the amount billed by the provider). Actions taken in Q2 to address overpayments include VA reviewed timely filing requirements related to resubmitted invoices as noted in the CCN contract with the third-party administrators and provided education. Actions planned to address overpayments include working with the post-payment review team to ensure third-party administrators have updated appropriate controls in the reimbursement system.

Accomplishments in Reducing Overpayment

		Date
1	Collaborated with third-party administrator to identify root cause (system logic error) regarding instances when medical services were provided outside the date range approved.	Jan-24
2	Enhanced internal policy to deny claims from ancillary providers who are not party to a Veterans Care Agreement. This change will help to remediate future errors in paying certain dental claims.	Mar-24
3	Coordinated with internal post-payment review team, third-party administrator and the PIIA audit team to identify pricing differences and inconsistencies. Initiated action to determine prevention of future pricing discrepancies.	Dec-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 Coordinate with internal post-payment review team to resolve any pricing inconsistencies with third-party administrators and determine if post-payment analysis is required.	On-Track	May-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 recovered \$26.98 million in overpayments to date and worked to process bills of collection for other 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 \$80.87 million in overpayments for this program and recovered \$72.67 million to date. In FY 2024, Q2, VA continued this work with the contractor to process bills of collection for identified overpayments.
2 Coordinate with third-party administrators to determine why provider identifiers on some claims do not match the identifiers submitted to the VA for reimbursement. Third-party administrators are reviewing claims processing systems for impacted providers.	On-Track	May-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 \$6.50 million in overpayments for this program and recovered \$0.67 million to date. In FY 2024, Q2, 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 health care providers.