

Payment Integrity Scorecard

Program or Activity
Purchased Long Term Services and Supports

Reporting Period
Q4 2024

FY 2023 Overpayment Amount (\$M)*

\$318

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

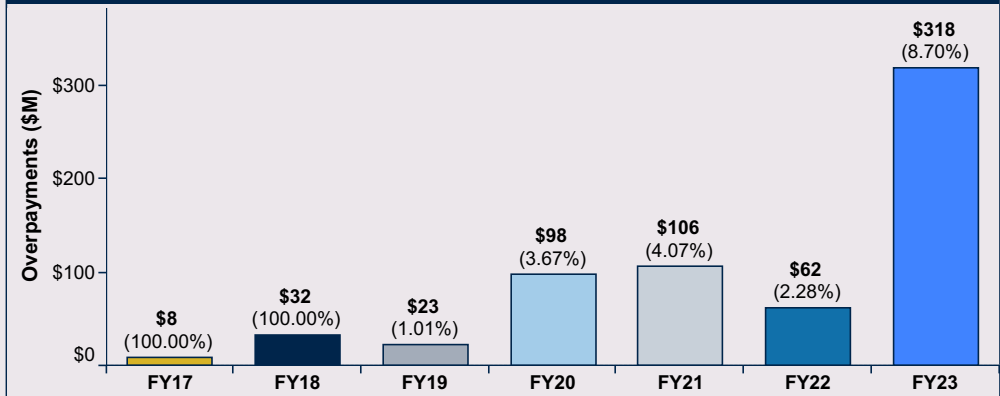


Veterans Administration
Purchased Long Term Services and Supports

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 and planned regarding change process include documenting a process flow for each claims processing system to identify where in the payment process improper payments are occurring in order to develop continued process improvements based on this data. VA will also continue working to enforce Community Care Network contract requirements for third-party administrators to bill at the correct allowable rates and ensure claims that exceed the authorization are paid appropriately (Note 1). Additional actions planned in the following quarter include drafting a letter for Community Nursing Homes to move to a standardized rate schedule in order to move payments from a legacy system to an automated claims adjudication system. Moving to standardized rates will allow for increased automation to reduce manual processes and human error. In the interim, VA is developing training for certifying officials to ensure invoices are validated per the contract pricing prior to payment. Actions taken and planned regarding automation include continuing to update the claims processing system(s) to ensure claims are paid appropriately. VA requested an update to the consult toolbox to ensure claims are associated with a valid referral. Also, VA submitted a change request in the automated claims adjudication system to ensure claims are associated with an active Veterans Care Agreement.

Accomplishments in Reducing Overpayment

		Date
1	VA worked with third-party administrators to update the pricing schedule and reprocess claims based on pricing discrepancies found where third-party administrators were using the incorrect VA Fee Schedule instead of Medicare rates.	May-24
2	VA documented a process flow for each claims processing system to identify where in the payment process improper payments were occurring in order to develop continued process improvements based on this data.	Jun-24
3	VA submitted a change request in the automated claims adjudication system to update the claims processing system logic to validate authorization dates are within the effective dates in the Veterans Care Agreement prior to claims being adjudicated.	Jun-24

Payment Integrity Scorecard

Program or Activity Purchased Long Term Services and Supports	Reporting Period Q4 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 VA is requesting an update to the consult toolbox to tie the referral in the authorization system to the Standard Episode of Care to ensure claims are associated with a valid referral.	On-Track	Oct-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 \$9.34 million in overpayments for this program and recovered \$5.93 million to date. In FY 2024, Q4, VA continued to process bills of collection for these identified overpayments.
2	On-Track	Oct-24	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 \$0.11 million in overpayments for this program and recovered \$0.09 million to date. In FY 2024, Q4, VA continued to process bills of collection for these identified overpayments
2	On-Track	Oct-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 \$2.37 million to date. In FY 2024, Q4, VA continued 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 automated claims adjudication 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.